ANNUAL REPORT

OF THE

INDIAN MERCHANTS' CHAMBER

FOR THE YEAR

1924.

(Presented to the Annual General Meeting of the Chamber held on 31st January 1925).

Printed by

JADAVAJI PITAMBER THAKKER, at the Lady Northcote Hindu Orphanage, K. N. Sailor Press, 77-79, Chowpati Road, Bombay No. 7.

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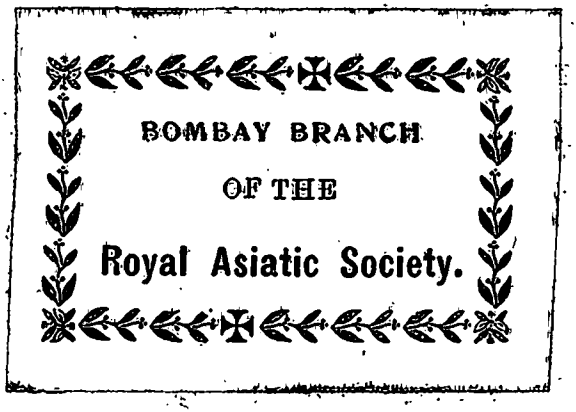
Published by

J. K. MEHTA, Secretary, Indian Merchants' Chamber, Canada Building, 3, Home Street, Fort, Bombay.

1925.



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LIST OF MEMBERS OF THE INDIAN MERCHANTS' CHAMBER.

Serial No.	Representatives of Members.	Names of Members.	Addresses.
1	Hon. Sir Dinshaw Edulji Wacha	Messrs. Morarjee Gocouldas & Co.	Sudama House, Ballard Estate, Fort, Bombay
2	Mr. Chunilal Devkaran Nanji	,, Chhagandas & Co.	Circle, Fort, Bombay.
3	,, Pragji Surji	,, Pragji Surji & Co.	Vadgadi, Mandvi, Bombay
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10	,, Vallabhdas Chaturbhuj Shivji	,, Chaturbhuj Shivji & Co.	,, ,, ,, Chikhal Galli, Bombay
11	,, Mathuradas Valji	,, Valji Sunderji & Co.	,, ,, ,, Ghadial Galli, Bombay
12	,, Bhukhandas Govindji	,, Bhukhandas Govindji & Co.	,, ,, ,, Dadar Galli, Bombay
13	,, Dwarkadas Ravji Naranji	,, Ravjibhai Naranji & Co.	,, ,, ,, Krishnaraj Galli, Bombay
14	,, Vasanji Naranji	,, Vasanji Naranji & Co.	,, ,, ,, Pragraj Galli, Bombay
15	,, Mathuradas Haridas	,, Damodar Haridas & Co.	,, ,, ,, Chikhal Galli, Bombay
16	,, Devidas Madhowji Thackersey	,, Madhowji Thackersey & Co.	22,29 Picket Cross Road, Bombay

17	Mr. Madhowji Jesang	Messrs. Ramdas Madhowji & Co.	Mulji Jetha Market, Nava Narayan Chawk, Bombay	
18	„ Vithaldas Damodar Govindji.	„ Damodar Govindji & Co.	„ „ „ Chawk, Bombay	
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25	„ Harjivan Valji	„ Harjivan Valji & Co.	17, Champa Galli, Shaik Memon St, Bombay	
26	„ Kanji Gocouldas	„ Chaturbhuj Jivandas & Co.	Mulji Jetha Market, Navi Gomukh Galli, Bombay	
27	„ Vallabhdas Jamnadas	„ Vallabhdas Jamnadas & Co.	„ „ „ Ghadial Galli, Bombay	
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31	„ Harjivan Valji	„ Kanji Karsan & Co.	Mulji Jetha Market, Nava Govind Chawk. Bombay	
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33	„ Shah Tullakchand Gobardas	„ Ramji Thackersey & Co.	„ „ „ Dadar Galli, Bombay	
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37	„ Vallabhdas Valji	„ Valji Khimji & Co.	Mulji Jetha Market, Navi Galli, Bombay	

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39	„ Ranchhoddas Vullabhdas Kanji.	„ Vullabhdas Kanji & Co.	„ „ „ Ghadial Galli, Bombay
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45	„ Hirji Rustomji	„ Damodar Valji & Co.	„ „ „ Dadar Galli, Bombay
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49	„ Karsandas Meghji	„ Gopalji Kalyanji & Co.	„ „ „ Chikhal Galli, Bombay
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51	Hon. Mr. Phiroze C. Sethna	Hon. Mr. Phiroze C. Sethna.	Canada Building, Hornby Road, Fort, Bombay
52	Mr. Madhowji Damodar Thackersey.	Messrs. Thackersey Moolji & Co.	2, Rampart Row, Fort, Bombay
53	„ Chaturbhuj Gordhandas	„ Mulji Jetha & Co.	Tamarind Lane, Fort, Bombay

54	Mr. Motilal Vallabhji	Messrs. Motilal Keshavji & Co.	37-39 Ghoga St, Fort, Bombay
55	„ Gordhandas Govindji	„ Morarji Govindji & Co.	Mulji Jetha Market, Chikhal Galli, Bombay
56	„ CursetjiJamsetji Banatvala	„ Edulji Cursetji & Co.	Laxmidas Market, Sk. Memon Street, Bombay
57	„ Lalji Dayal	„ Hirji Dayal & Co.	Mulji Jetha Market, Sancha Galli, Bombay
58	„ Haridas Gordhandas	„ Girdhardas Jethabhai & Co.	„ „ „ Chawk, Bombay
59	„ Keshavji Ramji Laxmidas	„ Ramji Laxmidas & Co.	„ „ „ Chawk, Bombay
60	„ Ratansi Dungershi	„ Vallabhdas Laxmidas & Co.	Laxmidas Market, Sk. Memon Street, Bombay
61	„ Chatrabhuj Purshottam	„ Jamnadas Haridas &. Bros.	Mulji Jetha Market, New Govind Galli, Bombay
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64	„ Ramdas Zaver Jagjivan	„ Zaver Jagjivan & Co.	362, Kalbadevi Road, Bombay
65	„ Mulji Laxmidas	„ Gopalji Valji Sunderji & Co.	Mulji Jetha Market, Ghadial Galli, Bombay
66	„ Ramdas Ranchhoddas	„ Ranchhoddas Thackersey & Co.	„ „ „ New Govind Chawk, Bombay
67	„ Tulsidas Gopaldas	„ Gopalji Valji & Co.	Mulji Jetha Market, Navi Gomukh Galli Bombay
68	„ Narandas Purshottamdas	„ Cavasji Framji & Co.	Mulji Jetha Market, Pragraj Galli, Bombay
69	„ Jagjivan Gordhandas	„ Gordhandas Thackersey & Co.	„ „ „ New Govind Chawk, Bombay
70	„ Jamnadas Harakhji	„ Jamnadas Harakhji & Co.	Dady Seth Agiari Lane, Bombay
71	„ Jethmal Narandas	„ Narottamdas Jethmal & Co.	Mani Bhuvan, New Gamdevi, Alexandra Road, Bombay

Serial No.	Representatives of Members.	Names of Members.	Addresses.
72	Mr. Damodar Tribhovandas	Messrs. Premchand Tribhovan & Co.	Mulji Jetha Market, Chhipi Chawl, Bombay
73	,, Mathuradas Haribhai	,, Mathuradas Chatrabhuj & Co.	,, ,, ,, Dharamraj Galli, Bombay
74	,, Mansukhlal Oghadbhai	Mr. Mansukhlal Oghadbhai	,, ,, ,, Gopalak Galli, Bombay
75	,, Laxmidas Keshavji	Messrs. Haridas Keshavji & Co.	Mulji Jetha Market, Krishnaraj Galli, Bombay
76	,, Revashanker Jagjivan	,, Revashanker Jagjivan & Co.	Khara Kuva, Shaikh Memon Street, Bombay
77	,, Sheriff Devji Kanji	,, Devji Kanji & Co,	Chakla Street, Mandvi, Bombay
78	Sir Purshottamdas Thakurdas	,, Narandas Rajaram & Co.	Navsari Chambers, Outram Road, Fort, Bombay
79	Mr. Govindji Ratansi Mulji	Mr. Govindji Ratansi Mulji	Feltham House, Ballard Estate, Fort, Bombay
80	,, Purshottamdas Jivandas	Messrs. Ramdas Khimji & Co.	Albert Building, Hornby Road, Fort, Bombay
81	,, Phirozeshaw B. Petit	,, Phirozeshaw B. Petit & Co.	Rampart Row, Fort, Bombay
82	,, Dhanjibhai B. Petit	,, Dhanjibhai B. Petit & Co.	Circle, Fort, Bombay
83	,, Govindlal Shivlal	,, Raja Bahadur Shivlal Motilal	20, Apollo Street, Fort, Bombay
84	,, S. R. Bomanji	Mr. S. R. Bomanji	Forbes Street, Fort, Bombay
85	,, Kakubhai Jivandas	Messrs. Khimji Vishram & Co.	Dana Bunder, Broach Street, Bombay
86	,, Palanji Dadabhai Chowna	,, Drewet Chowna & Co.	46, Church Gate Street, Fort, Bombay

87	Mr. Tricumdas Gordhandas Khatau	Messrs. Khatau Makanji & Co.	Oriental Building, Hornby Rd. Bombay
88	„ N. D. Dadyseth	Mr. N. D. Dadyseth	17, Waudby Road, Bombay
89	„ Kaikobad Cawasji Dinshaw	Messrs. Cawasji Dinshaw Bors.	121. Meadows Street, Fort, Bombay
90	„ Fidahusein Samsuddin	„ Shaikh Mahmod Shaikh Dawood & Co.	Crawford Market, Bhusari Street, Bombay
91	„ Mathuradas Vussanji	Mr. Mathuradas Vussanji	3, Wallace Street, Fort, Bombay.
92	„ Govindram Harsomal	Messrs. Tarachand Ghansyamdas & Co.	Zaveri Bazar, Shaikh Memon, Bombay
93	„ Karsandas Mulji Jetha	Mr. Karsandas Mulji Jetha	303, Hornby Road, Fort, Bombay
94	„ Kheraj Shamji	Messrs. The Grain Merchants' Association.	262, Musjid Bunder Road, Bombay
95	„ Krishna Rao Purshottam Kothare	„ K. P. Kothare & Co.	Apollo Street, Fort, Bombay
96	„ Pestonji Edulji Dhala	„ The Indian Mercantile Ins. Co. Ltd.	11, Bank Street, Bombay
97	Hon. Mr. Lallubhai Samaldas	Hon. Mr. Lallubhai Samaldas	65, Apollo Street, Fort, Bombay
98	Mr. Mahomed Hajibhoy	Messrs. Hajibhoy Lalji & Co.	Akbar Building, Hornby Road, Fort, Bombay
99	Sir Fazulbhoy Currimbhoy Ibrahim	Sir Fazulbhoy Currimbhoy Ibrahim	12-14 Outram Road, Fort, Bombay
100	Mr. Vithaldas Karsandas	Messrs. The Bombay Merchants' Bank Ltd.	Apollo Street, Fort, Bombay
101	„ Narandas Chatarbhuj	„ Gordhandas Khetsey	Manordas St., 40, Holi Chakla, Fort, Bombay
102	„ Narottam Morarjee	Mr. Narottam Morarjee	Sudama House, Ballard Estate, Fort, Bombay
103	„ S. B. Billimoria	Messrs. S. B. Billimoria & Co.	113, Esplanade Road, Fort, Bombay
104	„ R. D. Tata	„ Tata sons Ltd.	Bombay House, Bruce Road, Fort, Bombay
105	„ Manekji Jethabhai Vurdhman	Mr. Manekji Jethabhai Vurdhman	56, Tamarind Lane, Fort, Bombay

Serial No.	Representatives of Members.	Names of Members.	Addresses.
106	Mr. Dadabhai J. Registrar	Messrs. The Berar Mfg. Co. Ltd.	Llyod Building, Ballard Road Fort, Bombay
107	„ Hirjibhai Shapurji Patuck	„ H. S. Patuck & Co.	Dadoo Building, 44, Bank Street, Fort, Bombay
108	„ Kikabhai Premchand	„ Premchand Roychand & Sons	Apollo Street, Fort, Bombay
109	„ Purshottam Vishram Mavji	Mr. Purshottam Vishram Mavji	Walkeshwar Road, Bombay
110	„ Balchand Khetan of Messrs. Hajarilal Sultansingh	Messrs. The Hindustani Native Merchants' Association	Kalbadevi Road, Bombay
111	„ Ratanchand Navalchand Zaveri	„ Manekchand Panachand & Co.	Zaveri Bazar, Shaikh Memon Street, Bombay
112	„ M. Venkatrao	„ N. Powel & Co.	Sandhurst Road, Girgaum, Bombay
113	„ Nehalchand Lalluchand	Mr. Nehalchand Lalluchand	Tamba Kanta, Pydhonie, Bombay
114	„ Gulabchand Devchand Javeri	„ Gulabchand Devchand Javeri	2, Rampart Row, Fort, Bombay
115	„ Gordhandas Ranchhoddas	„ Gordhandas Ranchhoddas	Khara kuva, Shaikh Memon St., Bombay
116	„ Dunichand Durgadas	„ Dunichand Durgadas	Khara kuva, Shaikh Memon Street, Bombay
117	„ Vallabhdas Dayal	„ Vallabhdas Dayal	Vadgadi, Mandvi, Bombay
118	„ K. S. Aiyar	Messrs. K.S. Aiyar & Co.	65, Apollo Street, Fort, Bombay
119	„ Hirachand Vanechand Desai	„ Hirachand Vanechand Desai & Co.	Kalbadevi Road, Bombay
120	Prof. S. R. Davar	„ The Davar's College of Commerce.	Great Western Building, Apollo Street Bombay
121	Mr Nassurwanji K. A. Chinoy	Mr. Nassurwanji K.A. Chinoy	Chinoy Mansions, Colaba, Bombay
122	„ Shivji Chapsey	Messrs. Vussanji Velji & Co.	Girgaum Back Road, Bombay

123	Mr. Phirozeshaw N. Mehta	Messrs. P. N. Mehta & Co.	Cook's Building, Hornby Road, Fort, Bombay
124	„ Chhotalal Kilachand	„ Kilachand Devchand & Co. Ld.	55, Appolo Street, Fort, Bombay
125	„ U. S. Desai	„ The Bank of Morvi Ld.	10–16, Humam Street, Fort, Bombay
126	„ Sorabji N. Pochkhanavala	„ The Central Bank of India Ltd.	Esplanade Road, Fort, Bombay
127	„ Beniprasad Dalmia	Messrs. Mamraj Rambhagat & Co.	Mumbadevi Naka, Bombay
128	„ Haridas Nagji Vora	Mr. Haridas Nagji Vora	Mulji Jetha Market, Gordhan Galli, Bombay
129	„ Morarji Kanji	Messrs Thakkar Amarsi Kanji	„ „ „ Sancha Galli, Bombay
130	„ Goculdas Damodar	Mr. Goculdas Damodar	„ „ „ Chawk, Bombay
131	„ ManilalGoculbhai Mulchand	„ Manilal Goculbhai Mulchand	Champa Galli, Bombay
132	„ Harilal D. Jasani	Messrs. The Bombay Shroff Association.	289–91 Shaikh Memon Street, Bombay
133	„ Jamnadas Mulchand Parekh	Messrs. Goculbhai Dolatram & Co.	Champa Galli, Shaikh Memon St., Bombay
134	„ Lavji Meghji	Messrs. Curumsey Damji & Sons	Girgaum Back Road, Bombay
135	„ Pestonji N. Masani	Mr. Pestonji N. Masani	Nawab Building, Hornby Road, Bombay
136	„ Ibrahim F. Lalji	Messrs. Jumabhoy Lalji & Co.	Warden Road, Bombay
137	„ Laxmidas Nemidas	„ Mulchand Vusanji & Co.	90, Bazar Gate Street, Fort, Bombay
138	„ Dwarkadas Tribhovandas	Mr. Dwarkadas Tribhovandas	Singhani Building, Shaikh Memon Street, Bombay
139	„ Dwarkadas Gordhandas	Mr. Dwarkadas Gordhandas	Sohrab House, Hornby Road, Fort, Bombay.
140	„ Pestonjee Dhanjibhai Patel	Messrs. Patel Bros.	6, Napier Road, Fort, Bombay
141	„ Kekhushru N. Chandabhoy	„ Chandabhoy and Jassubhoy	Apollo Street, Fort, Bombay
142	„ Ratansey Dharamsey Morarji	Mr. Ratansey Dharamsey Morarji	Sudama House, Ballard Estate, Fort Bombay
143	„ Hirji Khetsey	Messrs. Hirji Khetsey & Co.	Bhat Bazar, Mandvi, Bombay
144	„ Currimbhai Lalji Sajan	„ C. L. Sajan & Co.	Carnac Bunder, New RiceMarket, Bombay
145	„ Hirji Ghelabhai	„ Hirji Ghelabhai & Co.	„ „ „ „
146	„ Ramdas Narandas	„ The India Agency Co. Ltd.	63, Apollo Street, Fort, Bombay

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147	Mr. Naranji Haribhai	Messrs. Ramji Purshottam & Co.	264, Madhowji Hariram House, Vadgadi, Bombay
148	„ Khimji Hirji Kayani	„ Khimji Hirji Kayani & Co.	Circle, Fort, Bombay
149	„ Jehangir Bomanji Petit	Mr. Jehangir Bomanji Petit	359, Hornby Road, Fort, Bombay
150	„ Cassamalli Jerajbhoy Peerbhoy.	„ Cassamalli Jerajbhoy Peerbhoy	Peddar Road, Bombay
151	„ M. P. Madan	„ M. P. Madan	74, Homji Street, Fort, Bombay
152	„ Vithaldas Liladhar Bhimji	„ Vithaldas Liladhar Bhimji	Princess Street, Bombay
153	„ M. V. Subiah	Messrs. The Commission and General Agency.	Avenue Road, Bangalore City
154	„ Vithaldas Bhawanidas	Mr. Vithaldas Bhawanidas	Tamba Kanta, Pydhonie, Bombay
155	„ Dwarkadas Kalyandas	„ Dwarkadas Kalyandas	Ridge Road, Malabar Hill, Bombay
156	„ Laxmidas Ravji Tairsee	Messrs. Laxmidas & Co.	29-31-32 Borrah Bazar St. Bombay
157	„ Surajmal Lallubhai	„ Surajmal Lallubhai & Co.	Kalbadevi Road, Bombay
158	„ Brij Beharilal	„ J. N. Singh & Co. Ltd.	26, Princess Street, Bombay
159	„ Mathuradas Goculdas	Mr. Mathuradas Goculdas	Canada Building, Hornby Rd., Fort, Bombay.
160	„ Manharlal Vrajdas Merchant	„ Manharlal Vrajdas Merchant	50 52. Church Gate Street, Fort, Bombay c/o J. Pirojshaw & Co. 47, B, Apollo St., Fort, Bombay.
161	„ N. S. Bayankar	„ N. S. Bayankar	
162	„ Nagindas A. Adatia	Messrs. Nagindas and Maneklal	Homji Street, Fort, Bombay
163	„ Mavji Govindji	„ Mavji Govindji & Co.	Allahabad Bank Building, Fort, Bombay

164	Mr. Maganlal Parbhudas	Messrs. The Bombay Yarn, Copper, and Brass Native Merchants' Association	Tamba Kanta, Pydhonie, Bombay.
165	„ Girjashanker B. Trivedi	„ Trivedi & Co.	Navsari Chambers, Outram Road, Fort, Bombay.
166	„ L Desraj Mehra	„ The Punjab National Bank Ltd.	Akbar Building, Hornby Road, Fort, Bombay.
167	„ Bhimji J. Thacker	„ Bhimji Jairaj & Co.	305, 307 Chawpati Sea Face, Bombay.
168	„ Ramchandra M. Bhatt	Mr. Ramchandra M. Bhatt	Sandhurst Road, Girgaum, Bombay
169	„ Laxmidas Devji	Messrs. Jetha Devji & Co.	Sak Galli, Mandvi, Bombay
170	„ Jamnadas Dwarkadas Dharamsey	Mr. Jamnadas Dwarkadas Dharamsey	Mongini Building, Church Gate Street, Fort, Bombay.
171	„ Jivandas Pitambar	„ Jivandas Pitambar	17, Circle, Fort, Bombay
172	„ Bhailal Dajibhai Amin	Messrs. The Alembic Chemical Works Co., Ltd.	Baroda
173	„ B. A. Billimoria	„ Batliwala and Karani	Dalal Street, Fort, Bombay
174	„ Mohmad Hussein Dehdasti	Mr. Mohmad Hussein Dehdasti	Ash Lane, Fort, Bombay
175	„ Manu Subedar	Messrs. Manu Subedar & Co.	Sudama House, Ballard Estate, Bombay
176	„ Maneklal Manilal Ranchhoddas Pari	Mr. Maneklal Manilal Ranchhoddas Pari	Maneck Chawk, Ahmedabad
177	„ Chandulal R. Yagnik	Messrs. Dolatram Kashiram & Co. Ltd.	Lamington Road, Bombay
178	„ Ismail A. H. Moosa	„ Ismail A. H. Moosa Ltd.	293 Nagdevi Street, Bombay.
179	„ Jamnadas Vassanji Munji	Mr. Jamnadas Vassanji Munji	Mooljee Jetha Market, Nava Govind Chawk, Bombay
180	K. B. Mohamadali Abdul-Kadar J. P.	K. B. Mohamadali AbdulKadar J. P.	9-11, Nagdevi Street, Bombay
181	Mr P iroze J. Billimoria	Messrs. The Indian Cement Co. Ltd.	Bombay House, Bruce Road, Fort, Bombay

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182	Mr. M. A. J. Noble	Mr. M. A. J. Noble	26, Parsi Bazar Street, Fort, Bombay
183	,, Jayvant Shantaram Divedkar	Messrs. Narayan Dhondoba & Co.	Lloyd Building, Ballard Estate, Fort, Bombay
184	,, Surji Vallabhdas	,, Surji Vallabhdas & Co.	Navsari Chambers, Hornby Road, Bombay
185	,, Laxmichand M. Dosi	,, Laxmichand Padamsey &Co.	Kalbadevi Road, Bombay
186	,, Rameshwardas Birla	,, Shivnarayan Baldevdas &Co	Mumbadevi, Patel Building, Bombay
187	,, Sarabhai Vadilal Javeri	,, Chamanlal Sarabhai Javeri	311, Shroff Bazar, Bombay
188	,, Karsandas Thackersey Ravji	Mr. Karsandas Thackersey Ravji	187, Hornby Road, Fort, Bombay
189	,, Jwaladat R. Pilani	,, Jwaladat R. Pilani	Shaikh Memon Street, Bombay
190	,, Narsidas Jekisandas Gangadas	,, Narsidas Jekisandas Gangadas	Sahibag Ahmedabad
191	,, Karamalli Sabjalli	Messrs. Kasam Karmalli & Co.	204, Khoja Mohalla, Mandvi, Bombay
192	,, Mayashanker M. Bhatt	,, Mayashanker Thakkar & Co.	43, Apollo Street, Fort, Bombay
193	,, Vallabhdas Dayal	,, Dungershi Shamji Joshi &Co.	45, 47, Vadgadi, Bombay
194	,, Harnandrai Ramnarayan	Mr. Harnandrai Ramnarayan	183 Kalbadevi Road, Bombay
195	,, Hormasji Bapuji Gazdar	,, Hormasji Bapuji Gazdar	35, Mandlik Road, ApolloBunder, Bombay
196	,, T. M. Rangachari	,, T. M. Rangachari	Turner Road, Bandra
197	,, Walchand Hirachand	,, Walchand Hirachand	Sudama House, Ballard Estate, Bombay
198	,, K. D. Javeri	Messrs. Walmer & Co. Ltd.	11, Humam Street, Fort, Bombay
199	,, Motichand G. Shah	,, Pathak & Walchand Ltd.	Love lane, Mazgaon, Bombay

200	Mr. Ambalal Sarabhai	Mr. Ambalal Sarabhai	Retreat Shahibag, Ahmedabad
201	„ Mansukhlal Atmaram Master	„ Mansukhlal Atmaram Master	Sudama House, Ballard Estate, Bombay
202	„ Damodar Govindji Madhowji	Messrs. Govindji Madhowji & Co.	2, Rampart Row, Fort, Bombay
203	„ H. M. A. Anik	„ H. Anik & Co.	Baria Mansion, opp. Crawford Market Bombay
204	„ Nanabhai Tullockchund	Mr. Nanabhai Tullockchund	Nehalchand Building, New Queens Road, Bombay.
205	„ Bhagwandas Gordhandas	Mr. Bhagwandas Gordhandas	3, Wallace Street, Fort, Bombay
206	„ Mathuradas Kanji Matani	Messrs. The Bombay Rice Merchants' Association	New Rice Market, Carnac Bunder, Bombay
207	„ Madhavlal Makanji	Messrs. Keshavlal Brothers	14-19 Princess Street, Bombay
208	„ Chamanlal Popatlal Mehta	„ C. K. Vora & Co	399, Abdul Rehman Street, Bombay
209	„ Nandlal Madhavdas	„ Haridas Madhavdas Amersey & Amersey Damodar & Co.	173, Bhuleshwar Road, Bombay
210	„ Kekhushru Manekji Cooper	Mr. Kekhushru Manekji Cooper	Gazdar House, Hughes Road, Bombay
211	„ Fazulbhoy Ibrahim Rahimtulla	Messrs. Fazulbhoy Ibrahim & Co. Ltd.	Ismail Building Hornby Road, Bombay
212	„ Mangaldas Prahladbhai	„ Prahladbhai Dolatram &Co.	Tamba Kanta, Bombay
213	„ M. B. Mehta	„ M. B. Mehta & Co.	44, Bank Street, Bombay
214	„ D. G. Banker	Mr. D. G. Banker	Belle View Chawpaty Road, Bombay
215	„ Manilal Jugaldas	„ Manilal Jugaldas	18, Green Street, Fort, Bombay
216	„ Vithal Ambaram Jani	Messrs. Vithal Ambaram Jani &Co	Tank Bunder, Mazgaon, Bombay
217	„ Hargovind Ambaram Jani	„ Hargovind Shivlal & Co.	Do. do.
218	„ Narandas Keshoordas	„ Lalji Godhoo & Co.	Samuel Street, Vadgadi, Bombay
219	„ Manilal Balabhai	„ Manilal Balabhai & Co.	36 Humam Street Fort, Bombay
220	„ B. F. Madan	Mr. B. F. Madan	Bombay House, Bruce Road, Bombay
221	„ Burjorji C. Sethna	Messrs. Cursetji Bomanji & Co.	19, Bank Street, Fort, Bombay
222	„ Mathurdaas Tricumdas	„ Mathuradas V. Kothare &Co	71, Apollo Street, Fort, Bombay

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223	Mr. Sultan I. Janmohmad	Mr. Sultan I. Janmohmad	C/o Currimbhoy Ibrahim & Sons.
224	,, Shantidas Ashkaran	,, Shantidas Ashkaran	Outram Road, Fort, Bombay
225	,, Padamsev Mulji	Messrs. Jetha Mulji & Co.	Hughes Road, Bombay
226	,, Kanaiyalal Ranchhodbhai	,, Dalsukhbhai Kanaiyalal & Co.	45, Old Hanuman Lane, Bombay
227	,, Vyas Laxmishanker Narbadashanker	Mr. Vyas Laxmishanker Narbadashanker	Shiiotri Bank, Building, 36 Tamarind Lane, Fort, Bombay
228	,, Ramkrishna Narayan Bijur	,, Ramkrishna Narayan Bijur	Detroj
229	,, Ishwardas Laxmidas	,, Ishwardas Laxmidas	Meadows Street, Fort, Bombay
230	,, N. M. Muzumdar	,, N. M. Muzumdar	Garden View, Hughes Road, Bombay
231	,, Hatim E. Attari	Messrs. Hatim Attari	Bombay House, Bruce Road, Bombay.
232	,, Narsidas B. Kamdar	,, H. J. Billimoria & Co.	C/o. Amir Ahmed & Sons. Gazder House Hornby Road, Bombay
233	,, D. M. Wadia	,, D. M. Wadia & Co.	Nanabhai Lane, Hornby Road, Fort, Bombay
234	,, Gopaldas Tricumji Jivandas	Mr. Gopaldas Tricumji Jivandas	Murzban Road, Bombay
235	,, Ishwarlal Ganpatram Gajjar	,, Ishwarlal Ganpatram Gajjar	66, Bazar Gate Street, Fort, Bombay
236	,, Vassanji Naranji Bhimji	,, Vassanji Naranji Bhimji	Parekh Building, New Queens Road, Bombay
237	,, Keshavji Nanji	,, Keshavji Nanji	Vadgadi, Mandvi, Bombay
238	,, Rahimtulla M. Chinoy	Messrs. F. M. Chinoy & Co.	Laxmidas Khimji Market, Bombay
239	,, Edulji S Cooper	,, Palanji Edulji & Sons	319, Duncan Road, Bombay
240	,, Mulji Ranchhod Ved	Mr. Mulji Ranchhod Ved	New Charni Road, Girgaon, Bombay
			C/o. Ved and Sopher, Central Bank Building, Esplanade Road, Bombay

241	*Mr. Velji Lakhamshi*	*Messrs. Napoo Nensey & Co.*	38–42, Argyle Road, Dana Bunder, Bombay
242	„ *Alimohmad R. Macklai*	*Mr. Alimohmad R. Macklai*	40, Churchgate Street, Bombay
243	„ *Anantrao Balkrishna Kamat*	Messrs. B. Sitaram & Sons. Sitaram Laxman & Sons	Asian Building, Ballard Estate, Fort, Bombay
244	Hon. Mr. Balkrishna Sitaram Kamat	„ B. Sitaram & Sons. Sitaram Laxman & Sons	Ganesh Khind, Poona
245	Mr. Hakemchand Valamji Kapadia	r. Hakemchand Valamji Kapadia	Mulji Jetha Market, Navi Gopalak Galli Bombay
246	„ J. H. Bhabha	Messrs The Tata Hydro Electric Power Supply Co. Ltd	Bombay House, Bruce Road, Fort, Bombay
247	„ Dwarkadas Jekisandas	Mr. Dwarkadas Jekisandas	68, Walkeshwar Road, Bombay
248	„ Sitaram Kedia	Messrs. Cheniram Jesraj & Co.	393, Kalbadevi Road, Bombay
249	„ Karmalli Ibrahim	„ Kasinath D. Khote & Co.	Khoja Mohalla, Mandvi, Bombay
250	„ Tulsidas Monji Vora	„ Hansraj & Co.	20, Elphinstone Circle, Fort, Bombay
251	„ Vallabhdas Runchordas	Mr. Vallabhdas Runchordas	Mahim, Bombay
252	„ Kapilram H. Vakil	„ Kapilram H. Vakil	Navsari Chambers, Hornby Road, Bombay
253	„ C. J. Vurdhman	Messrs. Vurdhman Brothers	Tamarind Lane, Bombay
254	„ M. Umar Chandabhoy	„ The Mauritius Shippers Association.	150, Nagdevi Street, Bombay
255	„ Baldevdas Dalshukhram Dave	„ Somnath Rupjidas Patel	35, 3rd Bhoivada, Bombay
256	„ RatnamanraoBhimrao Jhote	„ The advance Trading Co.	Tamba Kanta, Bombay
257	„ Dawood Haji Nassur	„ Nassur Haji Mavji & Co.	Khoja Mohalla, Bombay
258	„ Narandas Assanmal	Mr. Narandas Assanmal	132, Bhuleshwar Road, Bombay
259	„ Amrutlal Amerchand Madhowji	Messrs Amerchand Madhowji & Co	Mudi Bazar, Mandvi, Bombay
260	„ Framji Dorabji Panday	„ Pestonji & Co.	371, Hornby Road, Bombay
261	„ Shiraj A. Vasi	„ Shiraj A. Vasi & Co.	43, B. Apollo Street, Fort, Bombay

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262	Mr. Ahmadi Shiraj	Messrs. Shaikh Adam Husseinalli Vasi & Co.	Vasi Building, 155-56, Nagdevi Street, Bombay
263	„ Laxmidas G. Tejpal	Mr. Laxmidas G. Tejpal	183, Hornby Road, Bombay
264	„ Morarji Premji Gocouldas	Messrs. M. P. Gocouldas & Co.	Meadows Street, Fort, Bombay,
265	„ Behram N. Karanjia	Mr. Behram N. Karanjia	238-40, Musjid Bunder Road, Bombay
266	„ M. N. Gobhai	„ M. N. Gobhai	Do. do. do.
267	„ Madhavdas Gocouldas Pasta	„ Madhavdas Gocouldas Pasta	11, Bastion Road, Bombay
268	„ Jamnadas Morarji	„ Jamnadas Morarji	35, Mint Road, Fort, Bombay
269	„ Sarabhai Pratapraj	„ Sarabhai Pratapraj	Madhuli, Grant Road, Bombay
270	Sir Dinshaw Manekji Petit	Sir Dinshaw Manekji Petit	359, Hornby Road, Bombay
271	Mr. Panachand Manchand	Mr. Panachand Manchand	259-61, Shaikh Memon Street, Bombay
272	„ Rameshwardas Birla	Messrs. The Bombay Stock Exchange Ltd.	9-11, Meadows Street, Bombay
273	„ Manekl al Jethabhai	Mr. Manekl al Jethabhai	Babulnath Road, Bombay
274	„ Balkisandas Ramkisandas	„ Balkisandas Ramkisandas	No. 36, Vithalvadi, Kalbadevi Road Bombay
275	„ K. R. P. Shroff	„ K. R. P. Shroff	80, Esplanade Road, Fort, Bombay
276	„ Pesi R. P. Shroff	„ Pesi R. P. Shroff	Do. do.
277	„ Narandas Manordas	„ Narandas Manordas	Shaikh Memon Street, Bombay
278	„ P. J. Panday	Messrs. C. Framji & Co.	14, Humam Street, Fort, Bombay
279	„ Y. G. Pandit	Mr. Y. G. Pandit	Hornby Road, Whiteaway Laidlaw Building, Bombay

280	Mr. R. J. Duff	Messrs. The New India Assurance Co., Ltd.	Central Bank Building, Esplanade Road, Bombay.
281	„ Kanji Karsandas	Mr. Kanji Karsandas	Parsi Bazar Street, Fort, Bombay
282	„ Dulerai Vanechand Desai	Messrs. Dulerai & Co.	70, Apollo Street, Fort, Bombay
283	„ Pranjivan Vussanji Munji	Mr. Pranjivan Vussanji Munji	Wacha Gandhi Road, New Gamdevi, Bombay,
284	„ Jairaj Vussanji Munji	„ Jairaj Vussanji Munji	Mun Bhuvan, Nepean Sea Road, Bombay
285	„ M. K. Chanbal	Messrs. The Bombay Swadeshi Co-operative Stores Co. Ltd.	Times Building, Hornby Road, Bombay
286	„ K. B. N. Kapadia	„ The Indian Steel Wire Products, Ltd.	65, Apollo Street, Fort, Bombay
287	„ Vithaldas Harjivandas	„ Harjivandas Jagjivandas & Co.	26, Jambulvadi, Kalbadevi Road, Bombay
288	„ Kisandas Munmohandas Ramji	„ The New Kaiser-i-Hind Sp. & Wg. Co. Ltd.,	28, Bank St. Fort, Bombay
289	„ Maganbhai P. Amin	„ Maganbhai Amin & Co.	32, Apollo Street, Fort, Bombay
290	„ Maganlal Purshottamdas	„ Purshottam Pranvallabh & Co.	Dalal St. Share Bazar, Bombay
291	„ Mohanlal Harakhchand	„ Mohanlal & Co.	197-20, Shaikh Memon Street, Bombay
292	„ Gokuldas Ranchhoddas	„ Ranchhoddas Varjivandas & Co.	Kandevadi, Madhav Bhuvan, Bombay
293	„ Chhotalal M. Kothari	„ Chhotalal Kothari & Co.	56, Apollo Street, Bombay
294	„ Abubakar Abdulrahman	„ Abubakar Abdulrahman & Co.	Narayan Dhruv St. Pydhone, Bombay
295	„ Karsandas Hargovan	„ R. Karsandas & Co.	Mulji Jetha Market, Nava Govind Chawk, Bombay
296	„ Jamnadas Purshottam	„ Jethabhai Hirji & Co.	Do. Chawk, Bombay
297	„ Vassanji Megbji	„ B. Hargovan & Co.	Do. Nava Govind Chawk, Bombay

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298	Mr. D. D. Sethia	Messrs. Shivji Dharamsey Sethia & Co.	70, Apollo Street, Fort, Bombay
299	„ M. C. Amin	„ The Malbar Forests and Rubber Co., Ltd.	76, Tamarind Lane, Fort, Bombay
300	„ Tarachand H. Khana	Mr. Tarachand H. Khana	78-A, Abdul Rehman Street, Bombay
301	„ Venilal Jekisandas Vakil	„ Venilal Jekisandas Vakil	Machli Pith, Surat
302	„ Tulsidas Ramdas	„ Tulsidas Ramdas	344, Vadgadi, Bombay
303	„ Jamnadas Narandas Chahevala	„ Jamnadas Narandas Chahevala	Alahibag Building, Abdul Rehman St. Bombay
304	„ Pragji Dayal Hariani	„ Pragji Dayal Hariani	24-32, D'Souza Street, Mandvi, Bombay
305	„ Jivanlal Chimanlal Setalvad	Messrs. J. C. Setalvad & Co.	Badham Pile Building, Esplanade Road, Fort, Bombay
306	„ Narandas Bhawanji	Messrs. Narandas Bhawanji & Co.	D'Souza Street, Vadgadi, Bombay
307	„ Naranji Premji	„ Purshottam Naranji & Co.	Carnac Bunder, Bombay
308	„ Purshottam Hirji	„ Hirji Govindji & Co.	82, Baroda Street, Dana Bunder, Bombay
309	„ Chimanlal Mohanlal	„ Chimanlal Mohanlal & Co.	Zaveri Bazar, Patel Building, Bombay
310	„ Ranchhoddas Govindji Asher	Mr. Ranchhoddas Govindji Asher	M. J. Market, Chawk, Bombay
311	„ Yeshvant Vinayak Dhurandhar	Messrs. Dhurandhar Brothers	Ismail Building, Hornby Road, Fort, Bombay
312	„ Balabhai Jamnadas	„ The Gujarat Oil Mill Mfg Co., Ltd.	Asharva, Post Kalupur, Ahmedabad
313	„ Ratan C. Gazdar	„ Bomanji C. Gazdar & Co.	Allahabad Bank Building, Fort, Bombay

314	Mr. Khimji Asher Virji	Mr. Khimji Asher Virji	320, Mint Road, Fort, Bombay
315	„ Maneklal Ujamshi	„ Maneklal Ujamshi	Allahabad Bank Building, Fort, Bombay
316	„ Ranchhoddas Harjivandas Gandhi	„ Ranchhoddas Harjivandas Gandhi	Ramchandra Building, Princess Street, Bombay
317	„ Thackersey Mahashanker	Messrs Thackersey Mahashanker & Co.	Kumbharvada 2nd Lane, Sandhurst Rd. Bombay
318	„ Dharamsey Bhawanji	„ Bhawanji Harbham & Co.	2nd Panjra Pole Lane, Bombay
319	„ Sorab Framji Bharoocha	Mr. Sorab Framji Bharoocha	7-10, Elphinstone Circle, Fort, Bombay
320	„ Maganlal Dahyabhi	Messrs. Dahyabhai Vassanji & Sons	Vithaldas Road, Princess Street, Bombay
321	„ Husseinbhoy Hasambhoy	„ Husseinbhoy & Co.	23, Meadows Street, Fort, Bombay
322	„ Keshavlal Harilal Setalvad	„ M. Kanji & Co.	Cawasji Patel Street, Fort, Bombay
323	„ Dayaldas Narandas Kanji	„ Narandas Kanji & Co.	Mulji Jetha Market, Nava Govind Chawk Bombay
324	„ Kanji Dwarkadas	Mr. Kanji Dwarkadas	Yusuf Building, Esplanade Road, Bombay
325	„ Karsandas Tejpal	Messrs. Karsandas Tejpal & Co.	Samuel Street, Mandvi, Bombay
326	„ Tricumdas Dwarkadas	„ Tricumdas Karsandas & Co.	Yusuf Building, Esplanade Road, Bombay
327	„ Kasturbhai M. Nagarsheth	„ M. Nagarsheth & Sons	Nagarsheth Building, Ballard Estate, Bombay
328	„ Shamji Hemraj	„ Shamji Hemraj & Co.	Ready Money Mansion, Churchgate St. Bombay
329	„ Shantikumar Narottam Morarjee	„ The Solapur Spg. & Wg. Co. Ltd.	Sudama House, Ballard Estate, Fort, Bombay
330	„ Laxmidas G. Dossa	„ Goculdas Dossa & Co.	14, Humam Street, Fort, Bombay
331	„ Morarji Keshavji	„ Morarji & Hormasji	Shaikh Memon Street, 22, Champa Galli, Bombay
332	„ Bomanji Dorabji Kapadia	Mr. Bomanji Dorabji Kapadia	Engineer Building, Princess Street, Bombay
333	„ Hiralal Gordhandas	Messrs. The Bombay Automobiles	Hughes Road, Bombay

Serial No.	Representatives of Members.	Names of Members.	Addresses.
334	Mr. Motiram Waghji	Messrs. Pragji Liladhar & Co.	Bhat Bazar, Mandvi, Bombay
335	„ Purshottam Dayal Thakkar	„ Thakkar & Co.	Jharia
336	„ Nanu N. Bharucha	„ Nanu N. Bharucha & Co.	Rustam Building, Churchgate Street, Bombay
337	„ Ruttonchund Tullookchund Master	„ Master Sons & Co.	Yusuf Building, Esplanade Road, Fort, Bombay
338	„ Gustadji Dossabhoy Billimoria	Mr. Gustadji Dossabhoy Billimoria	Chinoy Mansion, Colaba, Bombay
339	„ Raghavji Purshottam	„ Raghavji Purshottam	C/o. Currimbhoy Ibrahim and Sons, Vithalwadi, Bombay
340	„ Thakorlal Hiralal Vakil	Messrs. Vakil Brothers	73, Apollo Street, Bombay
341	„ Chunilal Baldevdas	Mr. Chunilal Baldevdas	C/o Mulchand Kantilal, Tamba Kanta, Bombay
342	„ P. J. Kanga	Messrs. The Tata Construction Co., Ltd.	Sudama House, Ballard Estate, Bombay
343	„ Keshavji Damji Hirji	Mr. Keshavji Damji Hirji	Samuel Street, Mandvi, Bombay
344	„ Veerji Peraji	Messrs. Chaturbhuj Peraj & Co.	Maskai Building, Bhandari St. Bombay
345	„ H. H. Belgaumwalla	Mr. H. H. Belgaumwalla	Hubli
346	„ Nowroji H. Belgaumwalla	„ Nowroji H. Belgaumwalla	C/o The Bombay Samachar Office, Frere Road, Bombay
347	„ S. C. Bannerji	Messrs. Marsland Price & Co., Ltd.	Nesbit Road, Mazgaon, Bombay
348	„ Khushal T. Shah	Mr. Khushal T. Shah	New University Building, Esplanade Road, Bombay

349	*Mr. Narotam V. Purshottam*	Messrs. Vithal Purshottam & Son.	2nd Khetwadi Lane, Sandhurst Road, Bombay
350	„ *Nensey Tejpal*	Mr. Nensey Tejpal	Nana Colaba, Thomas Street, Bombay
351	„ Framroze A. Mody	„ Framroze A. Mody	Ramchandra Laiji Bldg. Carnac Road, Bombay
352	„ Pahoomal Bros.	Messrs. The Japan & Shanghai Silk Merchants' Association	Jackeria-musjid, Bombay
353	„ S. J. Pandya	„ The Scindia Steam Navigation Co,. Ltd	Sudama House, Ballard Estate, Fort, Bombay
354	„ Ranchhoddas Tribhovandas Popavala	Mr. Ranchhoddas Tribhovandas Popavala	"Ujamsey Bhuvan", Girgaum Back Road, Bombay
355	„ Husseinbhoy A. Laljee	Messrs. Abdullabhoy Laljee & Co.	Samuel Street, Mandvi, Bombay
356	„ Nowroji Ardeshir Narielwala	„ A. S. Narielwala & Sons.	Cavasji Patel Street, Fort, Bombay
357	„ Balvant Krishna Rao Wagle	Mr. Balvant Krishna Rao Wagle	8, Kandewady, Girgaum, Bombay
358	Sir M. Vishvesvaraya	Sir M. Vishvesvaraya	"Miani House" Bangalore
359	Mr. J. A. Gandhi	Messrs. Bakubhai Ambalal & Co.	65, Apollo Street, Fort, Bombay
360	Sir Jamsetjee Jijibhoy, Bt.	Sir Jamsetjee Jijibhoy, Bt.	Mazgaon Castle, Bombay
361	Mr. C. B. Nanavati	Messrs. Nanavati Vevaina & Co.	Sudama House, Ballard Estate, Bombay.
362	„ J. K. Parulkar	„ The Jupiter General Insurance Co., Ltd.	Tamarind Lane. Fort, Bombay
363	„ S. N. Pochkhanawala	„ The Union Bank of India Ltd.	Apollo Street, Fort, Bombay
364	„ Mahamod Haji Aboo	„ Mahamod Haji Aboo	101, Cutlery Bazar, Bombay
365	„ Gulabchand Devchand Javeri	„ The Pearl Merchants' and Jewellers' Association	2, Rampart Row, Fort, Bombay
366	„ R. N. Bapasola	Mr. R. N. Bapasola	Ismail Building, Hornby Road, Fort, Bombay

Serial No.	Representatives of Members.	Names of Members.	Addresses.
367	Mr. Ratanchand Khimchand Motishaw	Messers. R. K. Motishaw & Co.	11, Humam Street, Fort, Bombay
368	„ Manmohandas Madhavdas Amersey	„ Amersey & Sons	Sudama House, Ballard Estate, Bombay
369	„ Surji Tricumdas Kothari	Mr. Surji Tricumdas Kothari	15–19. Samuel Street, Mandvi, Bombay
370	„ Lalji Rowji Khant	„ Lalji Rowji Khant	15–19, Samuel Street, Mandvi, Bombay
371	„ Jetha Ranchhoddas	Messrs. Karsandas Ranchhoddas	66, Bazar Gate Street, Fort, Bombay
372	„ B. H. Readymoney	„ B. H. Readymoney & Co.	122, Princess Street, Bombay
373	„ Jehangir P. Katgara	„ Jeena & Co.	Yusuf Building, Churchgate St. Fort, Bombay
374	„ Dhruva Sumanas	Mr. Dhruva Sumanas	65, Apollo Street, Fort, Bombay
375	„ Jayantilal Bhaidas	Messrs. The Indian Engineering Co.	Hornby Road, Nanabhai Galli, Fort, Bombay
376	„ Narotam Narandas Topan	„ Narandas Topan	Tamba Kanta, Pydhonie, Bombay
377	„ Pritamdas B. Advani	Mr. Pritamdas B. Advani	Marzban Road, Fort, Bombay
378	„ Keshavlal Lallubhai	„ Keshavlal Lallubhai	Khokha Bazar, Bhajipala Lane, Bombay
379	„ Mulraj Khatau	Messrs. The Khatau Makanji Spg. & Wg. Co., Ltd.	42, Ballard Road, Laxmi Building, Bombay
380	„ Raghunath Chintaman Sohoni	Mr. Raghunath Chintaman Sohoni	Princess Street, Bombay
381	„ Cursetji Limji	Messrs. The Bombay Cycle and Motor Agency, Ltd.	16, New Queens Road, Bombay

382	Mr. Nassurvanji S. Gazdar	Messrs. Nassurvanji S. Gazdar & Co.	Canada Building, Home Street, Fort, Bombay
383	,, Gordhandas Goculdas Morarji	Mr. Gordhandas Goculdas Morarji	Old Hanuman Lane, Kalbadevi Road, Bombay
384	,, Devidas Shamji	,, Devidas Shamji	Mulji Jetha Market, Chawk, Bombay
385	,, Girdhardas Liladhar	,, Girdhardas Liladhar	2, Rampart Row, Fort, Bombay
386	,, B. Das	Messrs. B. Das & Co.	23, Meadows Street, Fort, Bombay
387	,, Hiralal Chhaganlal	,, Chhaganlal & Co.	Carnac Bunder, Bombay
388	,, Chunilal Girdharlal	,, Chunilal Harilal & Co.	16–18, Green Street, Fort, Bombay
389	,, Chaturbhuj Khiyasey	,, Damji Assaria & Co.	81–83, Chinch Bunder, Bombay
390	,, Amiruddin Shalebhoy Tyebji	,, Shalebhoy Tyebji & Sons	28, Bank Street, Fort, Bombay
391	,, Vishvanath P. Vaidya	Mr. Vishvanath P. Vaidya	Kirti Building, 37–39, Forbes St. Fort, Bombay
392	,, M. M. H. J. M. Chhotani	Messrs. Chhotani & Co.	Dontad Street, Khadak, Bombay
393	,, Behramji N. Gamadia	Mr. Behramji N. Gamadia	18, Homji Street, Fort, Bombay
394	,, H. M. Chowna	Messrs. H. M. Chowna & Co.	73, Apollo Street, Fort, Bombay
395	,, N. B. Saklatvala	,, The Tata Mills Ltd,	Bombay House, Bruce Road, Fort, Bombay
396	,, N. B. Saklatvala	,, The Swadeshi Mills Co. Ltd.	Do. do. do.
397	,, S. D. Saklatvala	,, The David Mills Co. Ltd.,	E. D. Sasoon Building, Ballard Estate Bombay
398	,, S. D. Saklatvala	,, The Standard Mills Co. Ltd.	Bombay House, Bruce Road, Fort, Bombay
399	,, Chamanlal Girdhardas Parekh	,, The Industrial Bank of Western India Ltd.	Lal Darvaja, Ahmedabad
400	,, Habib Ismail	,, Khoja Mithabhai Nathoo	Hanuman Building, Tamba Kanta, Bombay
401	,, Tribhuvandas Pragji	Mr. Tribhuvandas Pragji	Bhabha Building, Princess Street, Bombay

Serial No.	Representatives of Members.	Names of Members.	Addresses.
402	Mr. Ranchhoddas Tribhuvandas Mody	Mr. Ranchhoddas Tribhuvandas Mody	Ridge Road, Malbar Hill, Bombay
403	„ H. P. Mody	„ H. P. Mody	Gresham Building, Esplanade Road, Bombay
404	„ Ibrahim Gullamhussein Currimbhoy	„ Ibrahim Gullamhussein Currimbhoy (of Messrs. Currimbhoy Ibrahim & Sons)	12–14, Outram Road, Fort, Bombay
405	„ Phirozshaw Ratanji Desai	„ Phirozshaw Ratanji Desai	Nakhoda Street, Mandvi, Bombay
406	„ S. Haji	Messrs. Narottam Ltd.	Sudama House, 31, Sprott Road, Ballard Estate, Bombay
407	„ Shantikumar Narottam Morarjee	Mr. Shantikumar Narottam Morarjee	Shanti Bhuvan, Peddar Road, Bombay
408	„ P. N. Vevaina	Messrs. The Eastern Bunkerers Ltd.	Sudama House, Ballard Estate, Fort, Bombay
409	„ R. M. Marshall	„ R. M. Marshall & Co.	Raja Terrace, Lamington Road, Bombay
410	„ Shivax C. Cambata	„ Shivax C. Cambata & Co.	Century Building, Hornby, Road, Fort, Bombay
411	„ Huseinally Mahomedbhoy Currimbhoy	Mr. Huseinally Mahomedbhoy Currimbhoy	12–14, Outram Road, Fort, Bombay
412	Sir Currimbhoy Ebrahim Bart.	Sir Currimbhoy Ebrahim Bart.	Do. do. do.
413	Mr. Nooroodin Abdul Husein Nooroodin	Messrs. The Bombay Paper and Stationery Merchants' Association	34, Khokha Bazar, Bombay

414	Mr. Husein Ibrahim	Messrs. Curmally Ibrahim & Co.	165, Khoja Mohalla, Mandvi, Bombay
415	„ Kashinath D. Khote	Mr. Kashinath D. Khote	Laburnum Road, Gamdevi, Bombay
416	„ Nowroji M. Dumasia	„ Nowroji M. Dumasia	C/o Times of India Office, Fort, Bombay
417	„ Keshavji Morarji Vassanji	Messrs. Keshavji Morarji Vassanji & Co.	142, Ridge Road, Malabar Hill, Bombay
418	„ Ranchhoddas Naranji	„ Sunderdas Padamsey & Co.	Dharamraj Gully, Mulji Jetha Market, Bombay
419	„ Hansraj Goculdas Naranji	„ Hansraj Goculdas & Co.	Wallace Street, Fort, Bombay
420	„ Hasam Rahimtulla	Mr. Hasam Rahimtulla	Sudama House, 31, Sprott Road, Ballard Estate, Fort, Bombay
421	„ Phiroshaw D. Patel	„ Phiroshaw D. Patel	Mulji Jetha Market, Gordhan Gulli, Bombay
422	„ B. J. Modi	Messrs. The Cotton & Commercial Trust Ltd.	Ewart House, Tamarind Lane, Fort, Bombay
423	„ Kallianji Curumsey Damji	„ L. K. Vussonji & Co.	Sohrab House, Hornby Road, Fort, Bombay
424	„ S. D. Parikh	„ The Bombay Bullion Exchange, Ltd.	Shroff Bazar, Bombay
425	„ Abdulkadar Bawla	Mr. Abdulkadar Bawla	97, Kambekar Street, Bombay
426	„ Dawoodkhan Shalebhoy Tyebjee	Messrs. Amir Brothers	28, Bank Street, Fort, Bombay
427	„ Suleman Cassum Haji Mitha	Mr. Suleman Cassum Haji Mitha	27, Kolsa Moholla, Pydhonie, Bombay
428	Sir Ebrahim Rahimtulla	Sir Ebrahim Rahimtulla	Ismail Building, Hornby Road, Fort, Bombay
429	Mr. Mahomedbhoy Gulamhussein	Messrs. Hatimbhoy Gulamhussein & Brothers	119-121, Nagdevi Street, Bombay
430	„ Mafatlal Gagalbhai	Mr. Mafatlal Gagalbhai	265, Hornby Road, Fort, Bombay
431	„ Jugatram S. Vaidya	Messrs. The Zandu Pharmaceutical Works Ld.	Elphinstone Road, Bombay 13.

Serial No.	Representatives of Members.	Names of Members.	Addresses.
432	Mr. Framroze Pestonji	Messrs. P. Framroze & Co.	"Standard Building." Hornby Rd, Bombay
433	,, M. C. Ghia	,, M. C. Ghia & Co.	18, Humam Street, Fort, Bombay
434	,, Burjor S. J. Aga	,, Shapoorji N. Chandabhoy & Co.	"Morarbhai Building 43, Apollo Street, Fort, Bombay
435	,, Kaikhushroo Bezenjee N. Capadia	Mr. Kaikhushroo Bezenjee N. Capadia	"Capadia House" Cumbala Hill, Bombay
436	,, Hoosenally M. Rahimtulla	Messrs. Jaffer Rahimtulla & Co.	"Dadoo Building" Marine Street, Fort, Bombay
437	,, Morarji Mulraj Khatau	,, Morarji Mulraj & Co.	"Laxmi Building" 42, Ballard Road, Fort, Bombay
438	Hon. Sir S. R. M. Annamalai Chetty	Hon. Sir S. R. M. Annamalai Chetty	"Natana Vilas" 38, P. C. Road, Vepery, Madras
439	Mr. Sankalchand G. Shah	Mr. Sankalchand G. Shah	Harharvala Bldg. No. 3, Lohar Chawal, Bombay
440	,, Vadilal Maganlal	Messrs. Maganlal Dipchand	Khand Bazar, Bombay
441	,, Meyer Nissim	Mr. Meyer Nissim	Esplanade Road, Fort, Bombay
442	,, Vadilal Motilal Shah	Messrs. The Swan General Trading Co.	Cama Building, Hornby Road, Fort, Bombay
443	,, Dahyalal Makanji Javeri	The Bombay Diamond Merchants' Association	Javeri Bazar, Bombay
444	,, D. D. Writer	Messrs. D. Writer & Co.	Arab Lane, Corner Grant Road, Bombay
445	,, Popatlal Girdharlal	,, Popatlal Girdharlal & Co.	73–77, Meadows Street, Fort, Bombay

446	Mr. M. P. Lohana	Messrs.	VithaldasParshottam & Co. (The Bombay Rice Merchants' Association)	New Rice Market, Carnac Bunder, Bombay
447	„ Vallabhdas Hirji	„	Ghee Merchants' Association	Mudi Bazar, Bombay
448	„ Keshavprasad C. Desai	„	The Industrial & Prudential Assurance Co. Ltd:	113, Esplanade Road, Bombay
449	„ Rustomji Edulji Mody	„	Furdoonji Khurshedji Mody & Sons.	Reay Road, Tank Bunder, Bombay
450	„ Jawahirmal Mulchand	„	Rai Bahadur Tikamchand	Kalbadevi Road, Bombay
451	„ Nariman M. Pohowalla	„	The Bombay Glass Bangles Merchants' Association	78, Bazar Gate St. Fort, Bombay
452	„ Himatlal Trimbaklal Muni	„	Chaturbhuj Bhaichandbhai & Co.	6, Humam St. Fort, Bombay
453	„ Manilal C. Modi	„	The Gujerati Type Foundry	Gaiwadi, Girgaon, Bombay
454	„ Manu Subedar	„	The Peninsular Locomotive Co, Ltd.	Sudama House, Ballard Estate, Fort, Bombay
455	„ Hiralal Maganlal Desai	„	Pragji Dharamsey & Co.	12, Bank St. Fort, Bombay
456	„ G. C. Motwani	„	The Eastern Electric & Trading Co.	173, Hornby Road, Fort, Bombay
457	„ Fateh Mahomed F. Munshi	„	The Gujarat Islam Match Mfg. Co. Ltd.	Kankaria Road, Ahmedabad
458	„ T. M. Musabhoy	„	The Swadeshi Match Mfg. Co. Ltd.	34–38, Jijibhoy Dadabhoy Street, Fort, Bombay
459	„ F. F. Munshi	„	The Indian Match Manufacturers' Association	Kankaria Road, Ahmedabad
460	„ J. J. Sopher	„	Ved & Sopher	31, Central Bank Bldg. Esplanade Road, Fort, Bombay

Serial No.	Representatives of Members.	Names of Members.	Addresses.
461	Mr. N. R. Khambati	Messrs. The Trinity Electric Syndicate	Princess Street, Bombay
462	„ Kalyanbhai Sarabhai Javeri	„ Sarabhai & Sons	31, Dadoo Bldg. Marine St. Fort, Bombay
463	„ Husein Suleman Mitha	„ The Sugar Merchants' Association	Khand Bazar, Bombay
464	Dr. S. W. Patil	„ The Indian Co-operative Navigation & Trading Co. Ltd.	Keshavji Bldg. 149, Frere Road, Bombay
465	Mr. Ramdas Khimji	„ Ramdas Khimji Trading Co. Ltd.	Albert Bldg. Hornby Road, Fort, Bombay
466	„ C. R. H. Readymoney	„ India International Co.	Readymoney Building, Apollo Bunder, Bombay
		Admitted in the year 1925.	
467	Mr. Narayanlal Bansilal Pittee	Mr. Narayanlal Bansilal Pittee	20, Apollo St. Fort, Bombay
468	„ Khimchand A. Mehta	Messrs. Mehta & Co.	119, Meadows Street, Fort, Bombay
469	„ Sivji Sojpal	„ Vissonji Sivji & Co.	387–89, Dongri St. Mandvi, Bombay
470	„ F. E. Dinshaw	Mr. F. E. Dinshaw	C/o Messrs. Payne & Co. Solicitors, Esplanade Rd. Fort, Bombay

Rules and Regulations of the Indian Merchants' Chamber.

(As finally amended by the General Meetings of the Chamber held on 28th October, 1922, 4th November 1922, 23rd June 1923, 29th September 1923, 15th December 1923 and 2nd May 1925.)

Name.

1. The Association shall be styled "The Indian Merchants' Chamber."

Office.

2. The office of the Chamber will be situate in Bombay.

Objects.

3. The objects for which the Chamber is established are :—

(*a*) To encourage friendly feeling and unanimity among business community on all subjects connected with the common good of Indian merchants.

(*b*) To secure organised action on all subjects relating to the interests of the Indian business community directly and indirectly.

(*c*) To promote the objects of the Indian business community in matters of inland and foreign trade, shipping and transport, industry and manufacture, banking and insurance.

(*d*) To collect and disseminate statistical and other information securing the promotion of the objects of the Chamber, and to make efforts for the spread of commercial and economic knowledge.

(*e*) To take all steps which may be necessary for promoting, supporting or opposing legislation or other action affecting the aforesaid interests by the Government or any Department thereof or by any local body or bodies and in general to take the initiative to secure the welfare of the business community in all respects.

(*f*) To make representations to Local, Central or Imperial authorities, Executive or Legislative, on any matter affecting trade, commerce, manufacture or shipping, banking or insurance.

(*g*) To undertake by arbitration the settlement of commercial disputes between merchants and businessmen and also to provide for arbitration in respect of disputes arising in the course of trade, industry or transport, and to secure the services of expert technical and other men to that end if necessary or desirable.

(*h*) To advance and promote commercial and technical education and to found and support establishments and institutions for such purposes.

(*i*) To undertake special enquiries and action for securing redress for legitimate grievances of any branch of trade or industry as also all such other actions as may be conducive to the extension of trade, commerce or manufactures, or incidental to the attainment of the above objects.

(*j*) To secure the interests and well-being of the Indian business communities abroad.

(*k*) And generally to do all that may be necessary in the interests of the realisation of the above objects of the Chamber directly or indirectly.

Members.

4. There shall be three classes of members :— (1) Ordinary, (2) Patrons and (3) Honorary.

(1) There will be three classes of ordinary members :—

(*a*)—Residents of Bombay and its suburbs who will have to pay Rs. 75 as annual subscription ; but Joint-stock Companies will have to pay Rs. 100 per year.

(*b*)—Mofussil members who will have to pay Rs. 25 as annual subscription.

(*c*)—Associations which will have to pay Rs. 125 as annual subscription.

Admission Fee:—All the ordinary members and patrons will have to pay Rs. 100 as admission fee which will be credited to a capital fund of the Chamber and shall not be expended on revenue account except with the consent of the general body.

(2) Patrons:—Indian firms or individual Indian merchants can join as Patrons. Firms will have to pay Rs. 5,000 and individuals Rs. 2,500 as donation, the proceeds of which will be credited to a capital fund which shall not be expended on revenue account but the interest whereof shall be taken to revenue account.

(3) Honorary members:—Gentlemen distinguished for public services or eminent in commerce and manufactures or otherwise interested in the aims and objects of the Chamber may be elected as Honorary members by a General Meeting of the Chamber by two-thirds of the majority of members present at the meeting on the recommendation of the Committee and as such shall be exempted from paying subscriptions. They shall not be entitled to vote at any meeting of the Chamber nor shall they be eligible to serve on the Committee.

Eligibility for membership of the Chamber.

5. Any Indian gentleman, firm or association engaged in mercantile pursuits or interested in trade and commerce desirous of joining the Chamber shall be eligible for membership.

Election of members.

6. (*a*)—The applicant, whether an individual or a firm or an association, shall sign the admission form giving details of one's business and send it to the Secretary with the signatures of the proposer and the seconder,

who must be members of the Chamber. This application shall be submitted to the Committee who will fix the dates for the election by ballot, and appoint a scrutineer. At least seven days' notice shall be given to all the members, stating dates for voting and the names of candidates with their proposers and seconders. Votes shall be received during the said seven days from 11 A. M. to 4 P. M. (B. T.)

(*b*)—On the seventh day the ballot-box shall be opened at 4 P. M. (B. T.) by a scrutineer and the Secretary who will jointly declare the result of the voting.

(*c*)—At least one-tenth of the members of the Chamber must register their votes to make the ballot valid.

(*d*)—In all voting for election to membership the presence in the ballot box of black balls in the proportion of one in six shall exclude.

Twelve negative votes shall be deemed to exclude.

Resignation.

7. A member wishing to resign shall give written notice to the Secretary not less than one calendar month before the completion of his annual period; otherwise he will be liable for the subscription for the next year.

Disqualifications of members.

8. A member shall be deemed to be disqualified if :—

(*a*) he becomes an insolvent,

(*b*) he fails to discharge his subscription for a period extending over twelve months.

Privileges of members.

9. A member of the Chamber shall be entitled

(*a*) To obtain gratis publications of the Chamber,

(*b*) To the free use of the Chamber's library,

(*c*) To vote at all meetings of the Chamber or on any matter referred to the General body of members by circular.

(*d*) To be elected as an office-bearer of the Chamber.

Meetings of members.

10. There shall be held a general meeting of members, which shall be called the Annual Ordinary General Meeting within a month of the 31st December when the official year of the Chamber closes (provided that the Committee can extend the period upto a fortnight by a special resolution), to transact the following business:—

(*a*)—To receive the annual report of the retiring Committee and the audited statement of accounts of the Chamber.

(*b*)—To record the declaration of the result of election of office-bearers for the ensuing year.

(*c*)—To elect an auditor for the ensuing year.

(*d*)—To transact such other business of which notice may have been given by a member five clear days before the date fixed for the Ordinary General Meeting, and of which the Secretary will have given notice to the general body of members by post or otherwise two days before the date of the meeting.

There shall be held during the course of the year, in addition to the Annual Ordinary General Meeting three other ordinary meetings when a resume of the work done during the previous quarter will be supplied to members.

A Special General meeting of members may also be called whenever the Committee think fit; and the Committee shall also call a Special General Meeting on the requisition in writing of at least 10 members of the Chamber stating the object of the meeting.

At least three days' clear notice shall be given to members specifying the day, place, hour and objects of the meeting even when the Special General Meeting is convened by the Committee.

Ten days' clear notice of all other General Meetings, whether ordinary or special, shall be given to members specifying the day, place, hour and object of the meeting. Such General Meetings will also transact such other business of which notice has been given by a member five clear days before the date fixed for the meeting and of which the Secretary has given notice either by post or otherwise to the general body of members two days before the date of the meeting.

Quorum.

11. 15 members shall be deemed a quorum for a General Meeting, whether Ordinary or Special. No business can be transacted at any General Meeting, whether Ordinary or Special, if within 30 minutes of the hour specified for the meeting no quorum is formed. In that case the meeting shall stand adjourned to such date, hour and place as the members present at the meeting may fix.

Adjourned Meeting.

12. An adjourned meeting can transact the business for which it is called without the necessary quorum.

Chairman.

13. The Chairman of the Committee shall preside at every General Meeting, or the Vice-Chairman in his absence. In the case of the absence of the Chairman as well as the Vice-Chairman, the members present may vote one from among themselves to take the chair.

Voting at meetings.

14. Every resolution submitted to the meeting shall be decided by a show of hands. In the case of equality of votes the Chairman shall have a casting vote in addition to his own vote. Each member has the right to speak and vote on any subject which may be submitted for consideration at any General Meeting, provided that firm or association having more than one member shall have one vote only though its several members may be present at the meeting and take part therein.

15. At every Annual Ordinary General Meeting there shall be elected a Committee to carry out the objects of the Chamber, consisting of the Chairman, the Vice-Chairman, and 23 members.

Managing Committee.

16. The Committee shall fill up any vacancy of an ordinary member thereof occuring during the year.

Vacancy in the Committee.

Non-attendance of a member of the Committee without the previous permission of the Committee at meetings of the Committee for three months consecutively will be considered a disqualification for his membership of the Committee and his office shall be considered vacant for the purposes of this rule.

The Secretary will send a reminder to a member of this rule if he has absented himself for two months without the required permission.

* 17. Any vacancy during the year in the office of the Chairman or the Vice-Chairman created by resignation or by his going out of India for more than one month shall be filled up by election in accordance with rule No. 26.

Vacancy in the office of the Chairman or the Vice-Chairman.

If the Vice-Chairman goes on leave in India for more than one month, the Committee shall appoint a substitute during his absence from among its own members.

18. The Committee shall retire at the end of its term of office but shall continue in office till its successor is appointed.

Retirement of the Committee.

19. The Committee shall frame its own rules for the purpose of regulating its proceedings which may be amended or altered or revised as it may deem expedient.

Rules of the Committee.

20. The Committee shall have the power to appoint a Secretary on such remuneration as it may deem proper and prescribe his duties and functions.

Secretary.

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* This rule will come into force from 1-1-26.

21. The Committee shall cause accounts of the Chamber to be kept and all receipts and funds shall be paid into such bank or banks as may be selected by it. Such accounts shall be regularly audited at the close of the year, and adopted at the Ordinary Annual General Meeting.

Accounts of the Chamber.

22. The Committee shall meet at least once a month to dispose of all communications and references and consider all matters which may be on the agenda.

Meetings of the Committee.

23. The Committee shall cause to be kept a book in which the minutes of the proceedings shall be regularly recorded.

Minute Book.

If a member of the Chamber wishes to see this minute book he can do so after giving at least 24 hours' notice to the Secretary of the Chamber.

24. After the commencement of a new official year, representatives of principal trades who are members of the Chamber shall be asked by the Committee to elect Sub-Committees of five members from amongst themselves. All questions relating to these trades coming before the Committee during the course of the year shall be first referred to such Sub-Committees whose suggestions shall then be placed before the Committee. Such Sub-Committees shall be formed only for those trades which have at least ten representatives as members of the Chamber. The work of electing Sub-Committees shall ordinarily be done by the representatives themselves, but they can have the assistance of the Secretary of the Chamber if they require it.

Sub-committees.

The Committee shall at their discretion appoint a Sub-Committee from among their members to consider and report upon such special matters as they may deem expedient and they shall also have the power to invite at their meeting persons other than members of the Chamber and the Committee to consult them or take their advice on such matters as may be deemed necessary.

25. The Secretary shall state in the register of members of the Chamber names of gentlemen who may be representing, for the time being, any members of the Chamber whether associations, firms or individuals. These names will also be given in the lists of members submitted to members for the election of office-bearers and representatives on the Legislative Council and such other public bodies. The elected gentlemen will be considered to be personally elected as representing particular members, and on their place falling vacant through any reason a fresh election will be made according to the rules in force for the time being.

Register of members.

Any member of a firm or its representative, being on that account a member of the Chamber, on his severing the partnership or connection with the firm, will no longer be a member of the Chamber.

This rule will not affect Rule No. 14.

This register shall contain details regarding business of all members and shall also record the classified lists of members according to different trades.

26. A list of members of the Chamber together with a list showing the attendance of members of the Committee at their meetings during the year shall be circulated by the Secretary amongst all the members before the 15th of January. Within a week of the receipt thereof nominations for Presidentship, Vice-Presidentship and membership of the Committee duly proposed and seconded shall be sent to the Secretary. The Secretary shall prepare and publish a list of nominations received by him together with the names of their proposers and seconders. This list shall be called the voting paper. Voting papers shall be sent to the members of the Chamber seven clear days before the date fixed for the election. The President and the Vice-President shall be elected from among the nominations received for Presidentship and Vice-Presidentship respectively and 23 Members of the Committee shall be elected from among the nominations received for membership of the Committee. Votes recorded

Election of Committee.

for a candidate for Presidentship or Vice-Presidentship will be *ipso facto* recorded for his election as a member of the Committee. President and Vice-President shall be *ex-officio* members of the Committee.

The voting shall be by means of voting papers received in the ballot box on days fixed by the Committee marked with crosses against the names of members whom they wish to propose as office bearers.

This voting by ballot will be carried on in the following manner:—Big and small printed envelopes addressed to the Secretary of the Chamber will be sent to members with voting papers. Members will enclose their voting papers in the small envelope and then enclose both this envelope and a letter duly signed stating that the voting paper is sent by them in the big envelope and send this to the Secretary who will open it placing the letter with the signature in one box and the small envelope containing the voting paper, which shall be unsigned, in the ballot box.

The retiring Committee shall appoint two scrutineers who must be members of the Chamber, who with the Secretary will open the ballot-box on the day following the ballot days and declare the result. Those who have obtained the highest number of votes shall be deemed to be duly elected. But in the event of refusal to serve on the part of any one or more of them, the member or members who has or have obtained the next highest number of votes shall be considered to be elected in his or their place. The new Committee shall take office on the first day succeeding the holding of the Ordinary Annual General Meeting and they shall so continue to act until the holding of the next Ordinary Annual General Meeting. A member or members of the Chamber representing it on the Bombay Legislative Council, the Bombay Port Trust or the like public bodies will be *ex-officio* members of the Committee if they are not already members of the same.

The new Committee shall have the power to co opt, out of the general body of members, representatives of commercial associations or any members who, in their opinion, will prove useful to them for

consultation, provided that the number of such co opted members does not exceed five; and that the total number of the members of the Committee does not exceed 30.

Such co-opted members will be elected by the Committee at its first meeting by ballot from among the members proposed at the meeting by members of the Committee.

Equality of Votes.

27. In the case of equality of votes recorded for the election of the Chairman or the Vice-Chairman or both the Committee will invite a second ballot as to who shall be elected. In the case of equality of votes recorded for members of the Committee lots will be drawn and the election be declared in favour of the member who draws the lot.

Visitors.

28. Any person resident out of Bombay, engaged or interested in mercantile pursuits visiting Bombay may be introduced as a visitor by any member of the Chamber who has previously obtained permission of the Chairman or in his absence the Vice-Chairman, through the Secretary, provided that a residence beyond one month shall subject such visitors to the rules for the admission of members.

Funds of the Chamber.

29. All moneys or funds of the Chamber shall be primarily paid into the hands of the Secretary who shall pay the same into an account to be opened with any bank that may be approved by the Committee in the name of the Chamber. All cheques on that account shall be signed by the Chairman or in his absence by the Vice-Chairman for the time being, and a member of the Committee; in the absence of both the Chairman and the Vice-Chairman cheques shall be signed by two members of the Committee. All cheques shall be countersigned by the Secretary.

Expulsion of members.

30. The Chamber reserves to itself the right of expelling any member in case he does any act or pursues any conduct that is either in contravention of the rules of the Chamber or detrimental to its credit or is in any way injurious to its welfare and interest or by any other good and sufficient reasons it is

thought desirable to remove him from his membership of the Chamber. But action on that behalf shall only be taken on the resolution of a General Meeting whereat four-fifths of members present have voted in favour of the proposal.

Alteration in Rules and Regulations.

31. The foregoing rules and regulations shall be copied in a book to be kept with the records of the Chamber. Printed copies of the same shall be forwarded to all the members and no alteration or addition shall be made therein or thereto save and except by a majority of three-fourth of the members of the Chamber present at a General Meeting convened by a notice issued at least 7 clear days before the holding of such a meeting and in which all the terms of proposed alterations or additions shall have been clearly set forth.

RULES OF THE COURT OF ARBITRATION OF THE CHAMBER.

As it is desirable that there should be a tribunal for the speedy disposal of disputes and differences arising between merchants, the Indian Merchants' Chamber has adopted the following scheme:—

1. There shall be a court of Arbitration working under the supervision and guidance of the Chamber.

2. The Council of the Chamber shall prepare a list of not less than 60 persons who having consented to do so shall form the Court of Arbitration. Whenever called upon a member or members shall solely or jointly constitute a tribunal for the disposal of a case referred to him or them.

3. There shall be a committee of five members elected by the Court from among themselves who shall regulate the appointment of arbitrators by the parties for the tribunal, preparing and revising rules of procedure and preparing tables of fees to be charged and paid.

4. This Committee shall be a permanent body but so that two members thereof shall retire every year and whose places shall be filled up by the Court. The retiring members shall be eligible for re-election.

5. In electing members of the Court the Council of the Chamber shall have regard to the recommendations of the Chambers of Commerce and Trade Associations affiliated to this Chamber.

6. The Secretary of the Chamber shall be the Registrar of the Court. It shall be his duty to act as Secretary of the Court, its Committee and its tribunal and keep records and do all the executive work of the Court.

7. The rules of the Indian Arbitration Act of 1899, and Schedule 2 of the Civil Precedure Code of 1908 (Arbitration) will apply to the arbitrations under these rules except as modified by them.

8. The disputants who wish to take advantage of this scheme shall execute a reference paper in the form prepared by the Committee of the Court and file the same with the Registrar.

9. The Registrar will place reference papers before the Committee of the Court. Parties should nominate arbitrators and in case of their failure to do so within a week from the day of filing eference the Committee of the Court shall appoint two arbitrators, and direct to procure their consent to act in the tribunal. This having been obtained and the tribunal constituted the Registrar shall fix a day for the trial and give notice thereof to the parties.

10. On the day fixed for trial and before they commence it, the Arbitrators if they are more than one, between themselves fix upon an Umpire who should take up the arbitration in case of the difference of opinion between the arbitrators. This name shall not be disclosed but shall be written on a paper, put in an envelope and sealed. The envelope shall be handed over to the Registrar who will open it only in case of difference of opinion and thereupon immediately request the Umpire to take up the matter.

11. The arbitrators may take oral or documentary evidence, hear parties or their agents, may take expert advice and do every thing in the matter to come to a right decision of the case.

12. Within one month from the filing of the reference, or such further time as they may extend, the arbitrators shall prepare a written award, sign the same in the presence of the Registrar and hand over the same to him.

13. The arbitrators in their decision may by writing extend the time to make their award but in no case it will be later than 3 months from the date of reference. If they fail to make the award within the time prescribed, the Registrar shall forthwith request the Umpire to take up the matter.

14. The Umpire shall make his award within a fortnight from the day he takes it up provided he extends the time to do so by writing, but such shall not exceed two months from the day on which he has taken up the matter. If he fails to give his award during that time the arbitration shall lapse and the parties may put in a fresh reference.

15. The parties to an arbitration shall pay to the Registrar such fees as may from time to time be fixed by the Committee of the Court.

16. The arbitrators of a tribunal or an Umpire shall be entitled to such fee or fees for their services as may be fixed by the Committee of the Court.

RULES PREPARED BY THE COMMITTEE OF THE COURT FOR CARRYING ON THE WORK OF THE ARBITRATION COURT.

1. The provisions of Act IX of 1899 (Arbitration) will apply to all the arbitration made to this Court under its rules.

2. Under these rules the word "The Court" means the Court appointed by the Committee to the Arbitration Court,

3. The disputants shall prepare a submission paper in the form (1) of the Indian Arbitration Act, copies whereof will be supplied by the Registrar on payment of one anna.

4. The submission paper shall state :

(*a*) The names of disputants made over in several numbers and arranged as far as practicable as Plaintiffs and Defendants.

(*b*) Each party shall mention in short the facts of his case.

(*c*) Specify the name of the sole Arbitrator or two Arbitrators as the case may be to whom the submission would be made.

(*d*) Specify whether the Arbitrator or Arbitrators have consented to take up the arbitration.

(*e*) A statement showing that the party shall abide by the award made by the Arbitrator or Arbitrators or the Umpire unless it is bad in the Law.

(*f*) Specify that they have paid Rs. 20 to the Registrar at the time of the submission paper or in case of more arbitrators than one, Rs. 20 for each arbitrator named.

(*g*) The disputants who are not members of the Chamber shall pay double the fees mentioned in Schedule.

5. On receipt of the reference paper the Registrar shall fix a day for the hearing of the case and give notice to the Arbitrators and the parties. In case any of the Arbitrators refuses to act, the Committee shall be called upon to nominate an Arbitrator in his place who after signifying his consent will at once take up the matter.

6. The Registrar shall issue notices to the parties to appear before the Arbitration Court with the papers proving their case and the witnesses if any.

7. The Court before proceeding with the case and if the Arbitrators are more than one shall write down the name of the Umpire in case of their disagreement, and place the paper in an envelope, seal it and hand it over to the Registrar. The name shall not be mentioned to any person until on the opening of the envelope by the Registrar as hereinafter provided.

8. The Arbitrators shall hear the parties and their witnesses, consider the documents produced and thereafter adjourn to consider their award.

9. Within the time fixed by the Court Rule XII and within such extended time as may be fixed by the Court but in no case more than three months from the date of the submission, the Arbitrators shall sign their award in the presence of the Registrar who will attest the same and file it.

10. The Arbitrators shall in the arbitration make provision for the costs and the proportion in which and by whom and to whom to be paid.

11. If the hearing lasts for more than one day of two hours at a time the arbitrators may fix upon the amount of the Court's costs to be paid per diem by the parties.

12. If the arbitrators do not agree as to the award the non-agreement shall be notified to the Registrar who will open the sealed envelope and will at once refer the matter of difference to the Umpire who will make his award within the time prescribed by Rule XIV of the Court Rules.

13. When the award is made by the Umpire the same shall be signed by him in the presence of the Registrar who will attest it and file it.

14. The Registrar within four days from the filing of the award give notice to the parties and when applied for give a copy of the same to him or them.

15. The fees fixed in the Schedule annexed hereto shall be charged under these rules.

Schedule.

(1) Fee to be tendered with the reference paper Rs. 20 for each Arbitrator named in the Reference paper and a fee of Rs. 30 shall be tendered for the Umpire in case the matter is referred to the Umpire provided that Rs. 5 shall be deducted from all such fees as fees due to the Chamber.

(2) The parties before they enter upon hearing shall deposit Rs. 50 for making and stamping the award which will be accounted for at the time of filing the award.

(3) The party applying for copy of the award shall pay full stamps required to be paid under the Stamp Act, and the copying charges.

RULES FOR THE ELECTION OF PORT TRUSTEES BY THE CHAMBER.

(Adopted at the Extra-ordinary General Meeting of the Chamber held on Wednesday, the 28th February 1923).

1. The Electoral Roll of the Chamber shall be prepared by the Secretary and circulated among the members of the Chamber at least 12 clear days before the date of the election giving particulars regarding the respective trade of each member provided that the name of each member shall be entered under any one of the following trade-sections, as he may select, viz, (1) Cotton (2) Piecegoods (3) Grain and Seeds (4) General. No member, after once selecting a particular section, shall be allowed to get his name transferred to another section except for special reasons, and the Committee shall

decide as to the validity of such reasons. Protests, if any, against the allocation of a member to a particular trade will be examined by a Sub-Committee consisting of two members appointed by the Committee and the Secretary, (whose decision shall be final) on any such date as may be fixed by them. Changes regarding other items in the Electoral Roll shall be notified to the Secretary within three days of the issue of such a roll which shall be amended accordingly. No vote by proxy shall be allowed.

2. Candidates for the election as Port Trustees, as well as voters, should be members of the Chamber or duly nominated representatives of the members of the Chamber, with their names registered as such in the Register of Members of the Chamber and the Electoral Roll, provided that candidates must always be Indians.

3. The Committee of the Chamber shall, as and when necessary, invite applications from members for election as Trustees of Port of Bombay and shall fix the date on which the election shall be held provided that there shall be the following allocation of seats to different trade interests :—

Trades	*Seats.*
Cotton	1
Piece-goods	1
Grain and Seeds	1
General	2

There may be any number of candidates from each of these sections but only the number allotted to each shall be elected,

4. Any member desirous of standing as a candidate for the election shall signify in writing such his desire to the Secretary seven clear days before the date fixed for the election, and send his nomination signed by his proposer and seconder who must be members of the Chamber stating what particular section he represents provided that he shall be allowed to stand on behalf of that particular section which has been specified against his name in the Electoral Roll under rule No. 1.

5. If the number of candidates for election for different sections shall be the same as the number of vacancies the candidates shall be deemed to be duly elected.

6. If the number of candidates for election for different sections shall exceed the number of vacancies the Secretary shall send the names of such candidates to each member of the Chamber three clear days before the date fixed for the election, giving particulars regarding the trade which each candidate represents.

7. The Committee of the Chamber shall appoint two Scrutineers for the scrutiny of voting papers at least 7 clear days before the date of the election.

8. On the day of the election the ballot-box will remain open from 10 a. m. to 6 p. m. (S. T.) in the office of the Chamber. Voting papers will be supplied to members of the Chamber in the office of the Chamber and members will fill these up and place them in the ballot-box. The counterfoils of these voting papers shall be first signed by members which shall be retained by the Secretary. The ballot box will be in charge of the Secretary or an officer of the Chamber appointed by him. Scrutineers will seal the ballot-box at 6 p. m. (S. T.) on the day of the election and after scrutinising the voting papers shall on the day following along with the Secretary declare the result. No duplicate voting paper will

be issued unless the original is returned. Candidates and their agents shall not be allowed in the room in which the ballot-box is placed, excepting for the purpose of registering their own votes.

9. The candidate or, where there is more than one Trustee to be elected for the different sections, the candidates, not exceeding the number of Trustees to be elected, who has or have the largest number of votes shall be declared duly elected.

10. In the event of an equality of votes preventing the due election of any of the candidates the members shall vote afresh in the manner above laid down in respect of the candidates having an equal number of votes.

11. In the event of a casual vacancy or temporary absence of a Trustee the same course shall be followed in the appointment of a substitute.

RULES FOR THE ELECTION BY THE CHAMBER OF A REPRESENTATIVE ON THE BOMBAY MUNICIPAL CORPORATION.

(Adopted at the third Quarterly General Meeting of the Chamber held on 11th November 1922).

(1) Candidates for the election as a corporator of the Bombay Municipality, as well as voters therefor, should be members of the Chamber or representatives deputed by member-firms or member-associations (whose names should be duly notified to the Secretary of the Chamber from time to time) provided that candidates must always be Indians.

(2) Those members who wish to become candidates in conformity with Rule 1 should send their names to the office of

the Chamber twelve clear days before the date fixed for the election together with the names of proposers and seconders.

(3) The Committee of the Chamber shall elect two Scrutineers at least seven clear days before the date fixed for the election.

(4) The Secretary of the Chamber shall circulate the names of candidates at least seven clear days before the date fixed for election.

(5) The Committee shall fix a day (notice thereof shall be given to all the members of the Chamber) on which the ballot box will be kept open from 10 a. m. to 6 p. m. (S. T.). Voting papers will be provided to the members in the office of the Chamber and the members will be required to place them, duly filled in, in the ballot-box. The slips containing the signature of the members voting will be placed in another box. Both these boxes will remain in charge of the Secretary or other officer of the Chamber appointed by him. At 6 p. m. (S. T.) on the date of the election the Scrutineers shall seal the ballot box and on the next day after scrutinising the voting papers declare the result of the election. A fresh voting paper will only be issued in return of the original one. It shall not be open to the candidates or to their agents to enter the room containing the ballot-box except for the purpose of recording their votes, nor will they be permitted to arrange refreshments in connection with the election.

(6) The candidate who gets the highest number of votes shall be declared duly elected.

(7) In the event of two or more candidates getting an equal number of votes the election shall be held afresh in the

manner above laid down in respect of candidates getting an equal number of votes.

(8) In the case of there being only one candidate, he shall be declared to be duly elected.

(9) In the case of a casual vacancy necessitating the election of a substitute the election shall be made in the manner above laid down.

CHAIRMEN OF THE INDIAN MERCHANTS' CHAMBER.

1907 to 1913 Mr Manmohandas Ramji.

1913—14 Sir Purshotamdas Thakurdas, C. I. E., M. B. E., M.L.A.

1914—15 Sir Fazulbhoy Currimbhoy, C. B. E.

1915—16 Hon. Sir Dinshaw Edulji Wacha.

1916—17 Hon. Mr. Lallubhai Samaldas, C. I. E.

1917—18 Late Sir Vithaldas D. Thakersey.

1918—19 Hon. Mr. Chunilal V. Mehta.

1919—20 Mr. Jehangir Bomanji Petit.

1920—21 Mr. Lalji Naranji, M. L. C.

1922. Sir Purshotamdas Thakurdas, C. I. E., M. B. E., M. L. A.

1923. Sir Fazulbhoy Currimbhoy, C. B. E. (From 24-2-23 to 3-9-23.)

Mr. Devidas Madhowji Thakersey (From 4-9-23 to 25-1-24).

1924. Mr. Manmohandas Ramji.

Secretary :—Mr. J. K. Mehta, M. A.

Assistant Secretary :—Mr. K. M. Desai, B. Com.

Representative of the Chamber on the Indian Legislative Assembly :—

Sir Purshotamdas Thakurdas, C.I.E., M.B.E., M.L.A.

Representative on the Bombay Legislative Council :—

Mr. Lalji Naranji, M.L.C.

Chamber's representatives on the Board of Trustees of the Bombay Port Trust.

1. Sir Purshotamdas Thakurdas, C.I.E., M.B.E., M.L.A., (Cotton)
2. Mr. Manmohandas Ramji (Piecegoods).
3. Mr. Mathuradas Kanji Matani (Grain and Seeds).
4. Mr. Lalji Naranji, M.L.C., (General).
5. Mr. Laxmidas Rowji Tairsey (General).

Chamber's representative on the Bombay Municipal Corporation :—

Mr. Ishwardas Lakshmidas.

Representative on the Advisory Committee of the Bombay Development Department :—

Mr. Manu Subedar.

Representative on the Indian Central Cotton Committee : —

Sir Purshotamdas Thakurdas, C.I.E., M.B.E., M.L.A.

Representative on the Advisory Committee of the Royal Institute of Science in Bombay :—

Sir Purshotamdas Thakurdas, C.I.E., M.B.E, M.L.A.

Representatives on the Local Advisory Committees of Railways.

G. I. P. Railway :—

Hon. Mr. Phiroze, C. Sethna.

B. B. & C. I. Railway :—

Sir Purshotamdas Thakurdas, C. I. E., M. B. E., M. L. A.

Managing Committee of the Indian Merchants' Chamber for the year 1925.

1. The Honourable Mr. Phiroze C. Sethna, O. B. E., (President.)
2. S. R. Bomanji, Esq., (Vice-President.)

Members.

3. Sir Purshotamdas Thakurdas, Kt., C. I. E., M. B. E., M. L. A
4. Lalji Naranji, Esq., M. L. C.
5. Manmohandas Ramji, Esq.
6. Sir Fazulbhoy Currimbhoy, C. B. E.
7. Jehangir Bomanji Petit, Esq.
8. B. F. Madon, Esq.
9. S. N. Poobkhanawalla, Esq.
10. Laxmidas Rowjee Tairsee, Esq.
11. Ishwardas Lukhmidas, Esq.
12. Manharlal Vrajdas Merchant, Esq.
13. Madhowji Damodar Thakersey, Esq.
14. Gulabchand Devchand Javeri, Esq
15. Fazal Ibrahim Rahimtulla, Esq.
16. Jamnadas Dwarkadas, Esq,
17. Professor Khushal T. Shah.
18. H. P. Mody, Esq.
19. Mathradas Vissonji Khimji, Esq.
20. Devidas Madhowji Thakersey, Esq
21. S. B. Billimoria, Esq.

22. Vithaldas Damodar Govindji, Esq.
23. Mavji Govindji Sheth, Esq.
24. Kapilram H. Vakil, Esq.
25. Husain Suleman Mitha, Esq.

Co-opted Members.

26. Walchand Hirachand, Esq.
27. Ratansey Dharamsey Morarji, Esq.
28. Girjashanker B. Trivedi, Esq.
29. Manu Subedar, Esq.
30. M. M. Amersey, Esq.

Ex-Officio.

31. Mathradas Canji Matani, Esq.

List of Magazines and Journals received in the Chamber's Library.

Quarterly.

1. Empire Cotton Growing Review.
2. Indian Economic Society's Journal.
3. Vishva Bharati.

Monthly.

1. Asia.
2. American Review of Reviews.
3. American Exporter.
4. British Export Register.
5. Bombay Co-operative News.

6 Cotton Spinning & Weaving Returns for Indian Mills

7. Glasgow Chamber of Commerce Journal.

8. Harper's Magazine.

9. International Review of Agricultural Economics.

10. International Trade Developer.

11. International Labour Review.

12. Labour Gazette, Bombay.

13. Publications of the League of Nations.

14. Liverpool Chamber of Commerce Journal.

15. Manchester Chamber of Commerce Journal.

16. Mercantile Guardian.

17. Modern Review.

18. Overseas.

19. Sea Borne Trade of British India.

20. Trade by Land of British India.

Weekly.

1. Board of Trade Journal

2. Bombay Government Gazette.

3. Bombay Market Report.

4. Capital.

5. Commerce Report (U. S. A.)

6. Commerce & Finance (U. S. A.)

7. Economist.

8. Gazette of India.

9. Indian Trade Journal.
10. Industrial and Labour Information.
11. International Crop Report (Rome).
12. London Chamber of Commerce Journal.
13. Manchester Guardian Commercial.
14. Nation and Atheneum (London)
15. Nation (New York).
16. Statist.
17. Spectator.
18. Young India.

Gujerati.

Monthly.

1. Bhagyodaya.
2. Budhi Prakash.
3. Nava Chetan.
4. Digamber Jain.
5. Gnan Vardhak & Masik Mitra.
6. Gujarat.
7. Kaumudi (Quarterly).
8. Khetiwadi Vignan.
9. Sahitya.
10. Yuga Dharma.
11. Vaidya Kalpataru.

Weekly.

1. Nav Jivan.
2. Sowrashtra.
3. Gujerati.
4. Gujerati Kesari.
5. Gujerati Punch.
6. Karma Bhumi.

THE INDIAN MERCHANTS' CHAMBER.

Annual Ordinary General Meeting.

The Seventeenth Annual Ordinary General Meeting of the Chamber was held at the office of the Chamber on Saturday, the 31st January 1925 at 4 p. m. (S. T.) to transact the following business :—

(1) To receive the Report of the retiring Committee and the audited statement of accounts for 1924.

(2) To record the declaration of the result of the election of the Committee for 1925.

(3) To appoint an auditor for the ensuing year.

Mr. Manmohandas Ramji, the retiring President of the Chamber, was in the chair.

The following members were present :—

Mr. Manmohandas Ramji (President), Hon. Mr. Phiroze, C. Sethna, Messers S. R. Bomanji, Lalji Naranji, Madhowji Damodar Thakersey, B. F. Madon, Manharlal Vrajdas Merchant, Manu Subedar, M. M. Amersey, Kekobad C. Dinshaw, Manilal C. Modi, B. J. Modi, J. K. Perulkar, Vithaldas, D. Govindji, Gulabchand, D. Jhaveri, M. A. J. Noble, M. P. Madon, Karsandas Hargovind, Kapilram, H. Vakil, Nasserwanji, S. Gazdar, Morarji Hemraj, Behran M. N. Karanjia, Vallabhdas Ranchoddas, Damodar Govindji Madhowji, Jehangir B. Petit, Jamnadas Harakhji and Gokaldas Jivraj.

Speech of Mr. Manmohandas Ramji.

In proposing the adoption of the Report, Mr. Manmohandas Ramji made the following speech:—

Gentlemen,

I have much pleasure in proposing the adoption of the report of the Indian Merchants' Chamber for the year 1924, circulated

to you with the notice convening this meeting. You will have noticed from the report that there were during the course of the year 39 meetings of the Committee besides which there were 73 meetings of Sub-Committees appointed to go thoroughly into several questions submitted to the Committee for their opinion. I hope you will excuse me if I take, as President of the Chamber, legitimate pride in the work put up by your Committee during the year which has ended recently. Having been connected with the Chamber from its very inception and having been its President during the first six years of its existence, I am in a position to speak about the growth and evolution of this institution from a comparatively small beginning. It may be said without exaggeration that this Chamber has during its last 17 years established its position as a representative institution of the Indian commercial community and has been able to inspire confidence on the part of Indian businessmen and industrialists in the work it has done for the development of trade and industries in the country. A glance at the different subjects summarised in the report circulated to you will show how wide and varied and intimately affecting not only the future of trade and industries but also the future of the country have been the various topics which your Committee were called upon to deal with during the course of the year.

Currency and Exchange formed as usual one of the most important of such topics and your Committee did not fail to concentrate the attention both of the Government and the general public on this vital question. It is a matter of no small pain to me that economic and financial questions have been receiving so little attention at the hands of our leading publicists and that politics is claiming their attention to the practical exclusion of the former questions. I am not disposed to favour the view which would have politics divorced from economics or business, for I believe that all these sets of questions are intimately inter-related and that you cannot separate the one from the other without doing injury to the body politic. At the same time the body politic is bound to suffer if it is supplied only with one variety of food to the exclusion of others just as the body physical will suffer if only one particular variety of food is

supplied to it as its nourishment. The number of men who have studied for instance Currency and Exchange can be counted on finger tips. What a great set-back this is to us can well be conceived when it is realised that the country is much more exploited through her trade and industries and the Currency and Exchange policy of the Government than through a few jobs more or less given to a foreign bureaucracy.

The abnormally acute condition of the money market in the beginning of the last year formed the subject of anxious consideration of your Committee who urged upon Government the necessity of immediate action to provide further emergency currency by issuing Rs. 14 crores of further currency against securities in England and making it available for general currency purposes. All such expedients however are in the nature of emergency measures and cannot be expected to eradicate the evil permanently. This can only be done, and trade and industries can be placed in a position of security, by amending the Indian Coinage Act, 1906, and the Indian Paper Currency Act 1923 and bringing the ratio of the Rupee to gold to the same basis as existed before the unfortunate changes made in those Acts in 1920. Your Committee are of opinion that if this remedy is adopted a large amount of gold would be tendered to the Currency Office against the issue of local currency. Huge imports of gold have been a feature of the latter part of the last year but all that gold came in as a commodity, while if the changes suggested by your Committee had been made it would have been possible as aforesaid to tender it to the Currency Office against the issue of local currency. This will show to you the utterly misleading nature of the plea set up by the Honourable the Finance Member now and then that the present ratio is harmless because it is inoperative. We say, on the contrary, that the present ratio is not harmless because it is operative. The want of recovery of trade and industries is always ascribed to the absence of restoration of the pre-war conditions in middle Europe which has always been one of the best customers of India. Even though pre-war conditions may not have as yet been restored in their entirety all those countries have come back to a practically settled condition of trade and in-

dustries. This factor, however, is not the only factor working against the restoration of the normal conditions of our trade and industries for as you have seen the Currency and Exchange policy of the Government has foisted upon the country unnatural conditions of a high rate of interest While 3 and 4 percent are considered a good rate of interest in the United Kingdom our merchants have to pay as much as 9 percent on their borrowed money. Is it ever possible that with this high rate of interest trade and industries can enjoy the same prosperity as they do in the United States for instance? The Government of India have recently made two important announcements with regard to Currency and Exchange. One is the announcement of His Excellency the Viceroy regarding the appointment of a Committee and another is the introduction of the Bill to amend the Paper Currency Act. The view of your Committee is that the Bill is not so sound a method as that provided for by the two Bills of Sir Purshotamdas for relieving the situation for reasons I have dealt with previously. It does contemplate giving relief to the market but the same relief would have been available in a much more permanent and sounder form through the method suggested by your Committee. The appointment of a Committee is some concession to popular opinion but it is spoiled by the condition attached to it that it may be appointed any time within the next 12 months. What is necessary if such a Committee has to be appointed is that it should be appointed at once and that the Indian commercial community should be adequately represented on it. It would be better therefore if Government were to accept the resolution of Mr. Raju adopted by the Assembly.

Just as Currency and Exchange play a fundamental part in the development of the country, shipping also plays more or less a conspicuous and important part in the development of trade and industries. The report of the Mercantile Marine Committee which was long awaited was published in May last i.e., about 4 months after it was presented to the Government. The report of the Lee Commission was also published almost at the same time and it is interesting to note that while important decisions have been taken on the latter by the Imperial Government and action has already

been taken with retrospective effect from April 1924, there have not only been no decisions taken on the report of the Mercantile Marine Committee but so far as your Committee are aware no despatch even has been sent to the Secretary of State for India upto this time on this important question. In the meanwhile attempts are being made in interested quarters to belittle the significance of the report, to ran down the recommendations made therein and even to abuse the majority of that Committee who had the independence and large-heartedness to make the recommendations they have made. Such a step-motherly attitude of the Government with regard to this very important question is extremely significant and no comments are necessary on my part to show the indifference of the Government whenever any genuine and real action is required to help trade and industries.

While I am speaking on the report of the Mercantile Marine Committee, I should like to refer to an allied subject viz., the scheme which is at present receiving the consideration of the Government of India with regard to Ports and shipping. All the Port Trusts are now in principle under the Government of India but their management has been given over to Provincial Governments who look after all their affairs with the help of Boards of Trustees. The Government of India come forward now with the apprehension that the dual administration of the Port Trusts is harmful to their interests. It is suggested that with the advent of full Provincial autonomy the present condition of the ports and the particular authorities by which they are governed may prove to be adverse factors against the success of such a provincial autonomy. We are thankful to the Government of India for the far-sightedness which impels them to take these long views but we feel at the same time that all these anxious considerations were not the only factor perhaps which moved the Government of India. There has been a strong movement for Indianising the Port Trusts going on and the one Board which has been to an extent Indianised, has shown how it can manage its affairs. The Government of India may be feeling perhaps that in near future all such Port Trusts Boards may be manifesting inconvenient independence of thought and action and

so may have thought it proper to take them away from their detached moorings and to place them all under a Central bureaucratic system which will, steam-roller-like, remove all the angles and eccentricities which may be observable at present. Your Committee opposed as they thought that administration of these by local Governments had upto this time been carried on without any serious complaint and that it would not be to the interests of the general Commercial community and the public if the control of the Ports were to be transferred to the Government of India who can exercise such control only from Delhi and Simla.

Your Committee have always interested themselves in the Stores Policy of the Government of India and have insisted on the Government's getting all their tenders here and in Rupee currency. Purchases to the extent of crores of rupees are being made at present on behalf of the Government of India by the High Commissioner who is located in London and though this system under Sir Dadiba Dalal, late High Commissioner, worked much better than it did when it was managed by the Secretary of State for India, it is to be doubted extremely if any High Commissioner, whether English or Indian, can be so strong as to withstand the forces arrayed against him in London in the matter of placing orders. In this connection I cannot help regretting the resignation of Sir Dadiba Dalal. It is but right and proper that we should expect the Government of India to clear up the atmosphere of mystery which has surrounded his resignation. It is not a healthy state of affairs truly where interpellations are put in the House of Commons as soon as a few stray orders are placed with continental firms even though their quotations may be acknowledgedly lower than any British tenders. The tenders of British firms are accepted on the generally advanced plea of "early delivery" which is a conveniently vague expression. It is vitally essential that this business of placing orders on behalf of India should be removed therefore from its present venue to Delhi or Calcutta. Your Committee went thoroughly into the question of the new Stores Rules published by the Government in May last. After several attempts on the part of the Government and even the report of the Stores Purchase Committee, these latest rules did not come up to the standard

required and your Committee therefore suggested a new set of rules with such changes and modifications as were found necessary in the interests of trade and industries of this country. I hope that the Government of India will adopt these new Rules suggested by the Chamber.

Time after time we come across remarks by some experts to the effect that trade and industries have turned the corner and that their restoration to their normal conditions will come about in near future. Prophecy is always a dangerous form of amusement, specially when it concerns such uncertain factors as modern, and that too, after-the-war trade conditions. The boom which followed the Armistice was responsible for the flotation of hundreds of joint stock concerns for which there was no scope. Many of them were started by people who had no knowledge of that particular industry and several of which were started and managed by people whose motives were not above board. Efforts of these company promoters received support from the speculative tendency of a section of the people who were in a hurry to get rich quickly. All this enterprise has therefore naturally ended in a failure and huge funds of the public are in the meanwhile wasted in all such enterprises. We are now in the process of liquidation of many of these and I should say that it will take some time even after this liquidation to restore public confidence, so very badly needed in the present condition, and trust in joint stock enterprises. There were also abnormally large loans floated by the Government to meet their war expenses and projects like the Development Scheme and huge deficits. Crores of money are invested in all such loans and so much less is naturally left to *bona fide* trade and industries. There is also another factor viz., investment in lands and properties which took place during the boom period to a very large extent. Property value has gone down in the meanwhile and money locked up in lands and properties cannot be considered by any means under these circumstances as liquid capital. All these factors have created a stringency in the money market, have scared away the naturally shy capital and have left *bona fide* trade and industries to carry on as they will with a 9 percent bank-rate of interest and with the present unsympathetic

policy of the Government with regard to the Currency and Exchange. Add to these factors, natural calamities like the recent floods, both in Southern and Northern India which mean the chief consuming centres, and you will feel that the trade depression is after all not such a mystery as it is made out to be. I cannot under these circumstances expect an early turning of the corner in trade and industrial conditions though at the same time I would not say that the present depression will continue to go on for a long time to come.

Before I close, I should like to urge for representation of this Chamber in the Council of State. Looking to the importance of Indian commerce it is but fair and proper that the Chamber should be represented in the Upper House. I have made this remark at the present juncture in order that our case may not go by default when the time comes. I am sure that when the question comes before your Committee they will take it up vigorously and the Government of India also will accede to their demand as being a reasonable, fair and just one

I may express here my thanks to my colleagues of the Committee for their cordial co-operation in my responsible and heavy work as President of the Chamber.

I have also much pleasure in congratulating the Chamber on having a trained and tried public man like the Hon. Mr. Phiroze C. Sethna as President and a vigorous and energetic worker and public leader like Mr. S. R. Bomanji for its Vice-President in the forthcoming year.

I should also like to express my high sense of appreciation of the work done by our energetic Secretary, M. J. K. Mehta, who has displayed a personal interest in the working of this Chamber since he joined the Chamber and has contributed a good deal to its success and I hope he will continue to take the same interest and zeal in the work of the Chamber as he has done in the past.

With these words, Gentlemen, I propose the adoption of the Report.

Speech of the Hon. Mr. Phiroze C. Sethna.

The Hon. Mr. Phiroze C. Sethna, the newly elected President, seconding the adoption of the Report, made the following speech:—

Mr. President and Gentlemen,

I have much pleasure in seconding the proposal for the adoption of the report placed before you by the President of the Chamber.

After the very exhaustive manner in which the President has dealt with some of the important problems discussed by the Committee during the course of the year, very little is left for me to say. I should like, however, to deal with the problem of labour regarding which your Committee had something to say during its tenure of office. Some might think that the best place for discussing this problem would be the annual meeting of the Bombay Millowners' Association, but our Chrmber also is, besides being a Chamber of traders and merchants, a Chamber of industrialists and large employers of labour and as such I do not think it would be out of place to deal with some of the aspects of this important question.

The large scale industrialism in the West carried on and developed so intensively during the last century brought forward a crop of its own peculiar labour problems and attempts were made to deal with these in a systematic manner time after time both by employers and the different Governments concerned. It was not, however, till the Versailles Treaty that all these different attempts were synthesised and formal recognition was given to labour problems. By a Clause of the Treaty the International Labour Conference was started and organised as a part of the League of Nations and this International Labour Conference has, besides holding its annual sessions, been carrying on, through its large and well-equipped Secretariat, work throughout the year in connection with labour legislation in all the different countries which are members of that Conference. An impetus has thus been given to the movement of labour legislation both in Eastern and Western countries and a mass

of literature has been published by the Labour Office throwing a flood of light on the various labour problems both international and national. It may be said that no one can now complain of the paucity of literature with regard to labour questions.

The Labour Conference also brings to a common meeting-place both the representatives of employers and employees as well as representatives of different Governments and thus enables them to discuss in a round-table fashion the problems which affect them so intimately and, I may say, affect also the future of the World. Students of economics and also social workers have in all this literature a mass of materials on which to work out their theories and base their theises. Employers of labour and employees can also find in this useful literature materials with the help of which they can solve their own peculiar problems. The immense benefits the international comity of nations has thus derived from the International Labour Conference cannot be over-estimated.

At the same time I must sound a note of warning against some of the tendencies of thought and movements for action which have been set agoing by the activities of the International Labour Conference. I hope there are not in India any class of men who look upon capitalists and employers of labour as so many orges but on the contrary these classes are given due credit for largeness of mind and breadth of vision, who are not likely to judge of labour problems through an inveterate hatred of the working classes. No less a personage than the Director of the International Labour Conference, monsisur Thomas, paid a well-deserved compliment to India when he said that she had fulfilled all the conventions and recommendations passed at these Labour Conferences faithfully and conscientiously. What I fear, however, is that mere amateurs in social work or labour welfare may rush to propound labour legislation of a kind which will not be beneficial to industries nor to employees. Labour legislation of a certain kind is of course desirable and beneficial and as you must have noticed employers of labour in this country have always given a willing response to efforts on the part of labour as also efforts on the part of authorities to provide amenities of life for

their employees. It does not follow, however, that because labour legislation of a certain kind is desirable labour legislation of all sorts is desirable or essential.

The International Labour Conference has also witnessed similar attempts made to rush through conventions or recommendations for which conditions in different countries may not prove at all suitable. The attempt at standardisation, as I may call it, of labour legislation for all countries can succeed only upto a certain limit and going beyond such limit is bound to meet with failure; and failure in such cases will mean several times unnecessary discontent and consequent labour troubles. India is rightly considered one of the leading eight industrial countries in the world but this does not mean that condions here are favourable for all the labour legislation which may be considered suitable for Western countries with conditions which are entirely different. Both the Government and the legislators therefore should refrain from forcing up the pace with regard to labour legislation in this land. We have strenuous times before us in the matter of keen and relentless competition from other well-advanced industrial countries and if our industries are under such conditions to be loaded with the burden of laws and regulations for which this country is not yet ready, it will only mean that India will be left behind in industrial development and will continue to remain as she has been, a ready field for exploitation by industrially powerful nations. I entirely agree with the very sound remark made by the President that through our not paying sufficient heed to our economic problems we have lost much more than through any other cause and if well-meaning but misled friends of labour or the Government persist in pushing forward with unsuitable and unnecessary legislation for the sake of legislation they will be doing a good deal of harm to our industrial population and the country in general.

I dealt in my last year's speech with the very complicated and intricate problem of the position of Indians in the Colonies and I am grieved to find that this position instead of improving has gone from bad to worse. The Natal Buroughs Ordinance has received the assent of the Governor General of South Africa and the effect

of this legislation will be to deprive not only future Indians entering Natal but even the children of those Indians already there enjoying the municipal franchise and thus make their position untenable. The visit of the Kenya Committee to England last year achieved one thing which was to stop for the time being the Immigration Bill being rushed through in the Kenya Legislature. I am afraid, however, from different portents that even this Bill may be proceeded with in the immediate future. The position in short of our countrymen in these Colonies is according to the best opinion as hopeless and as bad and undesirable as it can be. The question is what we can do to relieve these miseries of our countrymen. Beyond patiently and persistently pressing our case upon the attention of the Government of India and the Imperial Government I personally do not see what can be done on this side to deal with this very delicate and complicated problem. As you are aware a very representative deputation including as many as six members of our Chamber waited on His Excellency the Viceroy only four days back. We hope the suggestions made by the deputation will prove acceptable to those in authority. The Viceroy assured the deputation that his Government were doing their best to help the case of Indians overseas, but evidently everything rests with the authorities at White Hall. You will have noticed that in the deputation were four very prominent representatives of the European community in this country. We have reason to be thankful to them for joining us in this movement. We trust that our European friends in India will co-operate with us not only in such matters, but also in commercial and other matters in which we can make common cause. During my Presidentship it shall be my endeavour to promote such co-operation and I am sure I shall have the Chamber with me in such endeavour.

Before I conclude I should like to emphasise the importance of holding an All-India Commercial Congress where all the different Commercial and Industrial Associations of this country could join together on a common platform and discuss the problems which affect them intimately. For several years Indian Industrial Conference was holding a regular annual session. In 1916 a Commercial Congress was held in Bombay under the Presidentship of Sir Fazulbhoy

Currimbhoy. In 1919 a Joint Session of the Indian Industrial Conference and the Commercial Congress was also held in Bombay under the same distinguished Presidentship. Unfortunately, there was no response in subsequent years from other parts of India with the result that these very important sessions ceased to be held. Anglo-Indian Chambers of Commerce have been holding their annual sessions regularly and there is no reason why Indian Commerce should not consider all the important trade, commercial and industrial questions from its own point of view at least once a year. I hope the new Committee will take up this question at an early date and make it possible for such a Conference to be held in the coming year.

I am thankful to Mr. Manmohandas for his kind reference to my election as President of this Chamber. I am much obliged to you for considering me worthy of being entrusted with such responsibilities as now devolve on your President and I hope that I shall, with the co-operation of the new Committee and of you all, be able to lead the Chamber further in its course of sane and rational progress that it has been pursuing since its very establishment.

With these words I second the adoption of the report.

Speech of Mr. S. R. Bomanji.

Mr. S. R. Bomanji, the newly elected Vice-President, further supporting the proposal said :—

Mr. President and Gentlemen,

Before I deal with a few questions on which I would like to speak to you, I deem it my duty to express my high sense of appreciation of the honour you have conferred on me by electing me as Vice-President of the Indian Merchants' Chamber for the year 1925. I consider this honour as very great representing as the Indian Merchants' Chamber does, the great Indian commercial community of Bombay. In fact, I lay more emphasis on such honours coming from my countrymen than from a foreign Government as the former bespeak confidence and trust of one's own countrymen,

We have read the recent announcement of His Excellency the Viceroy that there is to be appointed a Committee to enquire into our Currency and Exchange problem. Lest, however, this announcement may appear to be making some concession to the demands of the public, it is qualified by the statement that such a Committee will be appointed within one year which means that we will have to wait about two years from now for the Government of India to give up their attitude of inaction and indifference and to take some positive steps for placing the Currency and Exchange policy on a sound and permanent basis. I can say this for myself that after our experience of Commissions and Committees like the Babington-Smith Committee, I have lost all faith in all such enquiries for the reports of such Committees are practically in accord with Government's settled policy and are merely a cloak to pass them off as the considered opinion of independent experts. Even if such a Committee however has to be appointed, there is no reason why we should wait twelve months for it. The unsettled world conditions are always trotted out by Government as an excuse whenever any action has to be delayed. Many of you, Gentlemen, will agree with me, that when it concerns the interests of the British people no such excuses are forthcoming and immediate action is taken to remedy the situation. Conditions in Britain when the American cross rate was at 3·30 or the position in Germany when the mark had hopelessly depreciated were not surely factors which could be called stable or permanent. It is wellknown that the Bank of England at present is sounding New York financiers with a view to secure huge dollar credits to be able to maintain sterling once it reaches par so as to make London again a free market for gold. Germany also under similar difficult conditions without delay made bold to make drastic changes of a revolutionary character by the introduction of Renten Mark and inaugurated radical changes in their national policy as would meet the requirements of indigenous trade and industries and hence tend to national prosperity. We are also aware that the South African Government have after consulting the great Dutch expert Dr. Vissirin and widely known expert Dr. Kammerer decided to go back to free gold payments at the end of June without waiting for what England may or may not do. The feeling in Australia on this question can

be judged when Mr. Garvan, Director of the Commonwealth Bank publicly stated that Australia had everything to gain by withdrawing the prohibition of the export of gold. We find Mr. Goodenough, Chairman of Barclay's Bank publicly advocating the return to gold and emphasising that the principal countries of the world were moving rapidly to a common measurement of prices through return to gold standard and that this formed a turning point in the economic situation arising out of the war. Mr. Goodenough made another very important statement of which I shall make a present to our Finance Member who so constantly trots out the effect on prices when India returns to a gold standard in order to frighten her away from her objective. Mr. Goodenough says: "A free gold market for London was the surest guarantee for stability in world prices and for confidence both of which were essential to good trade". This was only about ten days ago, and we now find Mr. McKenna, the present Chairman of the Midland Bank and a former Chancellor of the British Exchequer strongly advocating the advantages of the gold standard. He tells us what these advantages are:

> "In the first place, it establishes international measures of value common to all and mutually and universally accepted. It is automatic in its operation and it relieves the central banks of responsibility which he emphasised might not always be discharged with that knowledge and judgment indispensable for the prosperity of national trade. Mr. McKenna further points out and emphaises the moral effects of having a gold standard in operation, because the nation which has it will think the better of itself and will almost regard itself as more honest if its curreney is convertible into gold."

With all respect to the great knowledge and experience of Sir Basil Blackett, I venture to submit that the opinions of these great authorities that I have quoted will carry some weight with our worthy Finance Member. If he feels that it is still risky to tie the Rupee to the charriot wheels of the Federal Reserve Board, which, he is good enough to explain, was what stabilisation in terms of gold involved, may we not ask him why his own country, why

South Africa, why Australia, who are his own kith and kin, are so anxious to tie themselves to this charriot of Federal Reserve Board and why the great authorities I have quoted above are anxious to have the country so tied? Why should we so constantly be advised, of course quite in the interests of this country, to refrain from doing what all countries are so very anxious to do? The advice may be all disinterested, but the comments in the English papers from time to time throws strange light on the nature of this advice, when we are told that India's increasing absorption of gold and South Africa's minting of gold coinage are admittedly difficulties in the way of an early return to the gold standard by England. May I ask, if it is not such difficulties that are really at the bottom of these persistent attempts to prevent us from going back to the gold standard and the disinterested advice that is so kindly given to us not to do anything but wait and see.

In my humble opinion there is nothing in either the world conditions or local conditions to prevent a Committee from being appointed forthwith to go into our Currency and Exchange problem and to submit their report by the end of June to enable the Legislature to consider the findings at their September session. Whenever such a Committee is appointed it will, I hope, be considered as a *sine qua non* that the majority of its members shall be Indians with an Indian President in order that its report will inspire confidence in the country. I particularly trust that it will not be a packed Committee like the Babington Smith Committee of 1919 whose disastrous recommendations cost so many crores to this country. It is further sincerely to be trusted that none of the so-called experts of that Committee whose advice has proved so egregiously wrong shall find a place on it. How lightly this precious Committee went about their work will be better appreciated from a revelation made by the Times of India in its leading article of the 19th instant. We are told there that " the error of the 1919 Committee would not, we believe, have been perpetrated but for the accident that one member was absent from its sittings when the most important evidence from India was given, and on his return he rushed his colleagues into sudden conversion to the two shillings Rupee."

You no doubt remember some apologists of Government taunting Mr. Raju and his supporters on his resolution for the Currency Committee that Indians wanted a packed Committee in this instance. I ask these gentlemen what have they to say of this famous Currency Committee of theirs of 1919. Urgency and dispatch are necessary in such matters. The lack of these which has unfortunately come to characterise the Government policy with regard to various matters of vital interest to Indian trade and industries, has been found to be detrimental to their progress and development. Take for instance the protection afforded to Iron and Steel Industry the good effects of which were greatly marred by the abnormal delay which took place in giving this much-needed relief. Again, take the report of the Indian Mercantile Marine Committee regarding which the President of this Chamber, in his opening speech today, has so severely condemned Government inaction.

Sir, I have held for some time the opinion that Indian Civilians generally were not fitted to be Finance Members of the Government of India, for with all encyclopedic knowledge they were usually not trained financiers and India required none but trained experts to be at the helm of her financial administration. When the Honourable Sir Basil Blackett was appointed Finance Member of the Government of India the late Mr. Montagu told me "Here is the Finance Minister after your heart". Mr. Montagu was for a long time thinking of bringing him out to India, but Mr' Lloyd George, the then Prime Minister of England, could not relieve him as he was wanted by the Treasury. He was justly esteemed for a keen and intelligent grasp of financial problems and has shown the same wonderful grasp in the discharge of his onerous and responsible duties in this country. However brilliant and capable a man may be, he soon falls a victim to the inequitous system of Government which prevails unfortunately in this country. Whether it be a Reading or a Blackett the policy laid down in London has to be carried out. I hope you will consider me a pessimist if I say, that there is no future for this country politically or economically as long as the present system of administration lasts. This system must give way and a new one substituted in its place to give full scope for the free

development of this country, or even for the free development, if I may say so, of the personalities as I have named.

The Hon. the Finance Member, speaking at the Conference of Associated Chambers of Commerce held in Bombay on 5th December 1923, observed:

> "I would ask you to consider whether time has not come when some of the incidents of the past might be forgotten or remembered only for the sake of learning useful lessons from past failure. No purpose can be served at this date by introducing into discussion of currency questions those interesting historical allusions to the sale of reverse councils with which we are quite familiar."

We also want to bury the hatchet and do not want any continuance of the smouldering of the old embers, but how can we possibly do it, when we see that the Government refuses to learn useful lessons from past failures and steadily pursues the policy of forcing up the Indian exchange to the detriment of Indian producers and Indian industries. Again, there is the instance of the recent amendment to the Paper Currency Act proposed by the Hon. the Finance Member. The very object the Government profess to attain viz. facilities to the market during the busy season would have been more expeditiously attained by the simple acceptance of the Bills of Sir Purshotamdas which would have made possible an automatic expansion of currency against the tendering of gold by bankers. The proposed amendment to the Paper Currency Act provides for issuing of additional currency by the expedient of the Secretary of State loaning his cash balances to the Paper Currency Reserve. I cannot understand how this operation can be considered in the nature of a loan when it is in substance the same as tender of gold in pre-war days for issue of currency. The treatment of this operation as a loan leads to manipulation and deflation by the Secretary of State which we all consider so objectionable. If this amendment, however, has to go through, the Legislature must insist that the sterling investments should not be touched until the pound (£) goes

back to par and England returns to a free gold market and all such sterling should be gradually turned into gold and held as a permanent reserve against our Note Issue.

You must have read the criticism of the Times of India with regard to that portion of the Viceroy's speech which dealt with matter of currency and exchange that it was the voice of Lord Reading but the hands of the Finance Committee of the India Council. It is a cruel paradox that the Finance Committee of the India Council invested with so many heavy financial responsibilities on behalf of this country should consist practically of fossilised Anglo-Indians and representatives of London banking and commercial interests, with the exception of one solitary Indian member of the India Office whose voice does not count for anything when there are so many other people pitted against him. The abolition of the India Office is being urged by our publicists time after time. Until that is abolished, however, the constitution of this Finance Committee must be radically altered and Indian financiers of integrity and ability should be chiefly appointed to this Committee. I should like, however, the whole of the financial administration of these gold reserves and exchange etc., to be transferred to the Imperial Bank. I cannot understand why Government cannot leave the direction of questions like the Currency and Exchange in the hands of children of the soil whose interests are primarily at stake and who should be naturally deemed to be the best persons to deal with them. That they do not do so, is the greatest proof to my mind, greater than anything else, of the hollowness of the so-called Reforms Scheme. It is because of this that I personally hold that the Legislative Assembly will be perfectly justified in throwing out the Budget even this year if Government do not show any signs of responding to Indian demands in economic and financial matters.

Sir, we hear a lot now a days of so-called anarchy and the extra-judicial devices to put it down. The root cause of all these manifestations of unrest and disaffection is economic and the only effective remedy for meeting the situation can only be economic. I am sorry, I am obliged to speak in this strain. No amount of ordinances

issued by the Government of India or Bills ratified by the Government of Bengal will serve to eradicate the disaffection of the people; ernest efforts will have to be made to remove the appalling poverty in the land and to stop the exploitation of the country by vested interests. Government are spending lakhs of rupees of Indian money to counteract Soviet propaganda but I fear that the enactments and legislative measures issuing from the Political, Military and the Financial Departments of the Government of India disseminate at times more Bolshevik principles than the *Pravda* or any literature from the Fourth International.

The last speech of H. E. the Viceroy at the opening of the present session of the Assembly is a complete vindication of the general belief that Government ignore the demands made by responsible representatives of the people with regard to trade and industries. The realisation by the people in general of the hopelessness of their position in matters concerning their vital interests cannot but result in widespread disaffection towards the system of Government in this country. It is speeches like these that really excite more disaffection and distrust in public mind than the so.called extreme and violent articles in the Indian Press. It is not of course necessary to say why the Indian Penal Code with its wide and elastic sections is not to be applied to these speeches.

With these words, I feel pleasure in supporting the adoption of the Report."

After some members had spoken, the report was unanimously adopted. The Secretary then announced the result of the ballot for the Chairman, Vice-Chairman and the members of the Committee for 1925.

After appointing Mr. Devidas Vithaldas as an auditor for the year, and after a vote of thanks to the retiring Committee and the Chair, the meeting terminated.

REPORT OF THE COMMITTEE

OF THE

INDIAN MERCHANTS' CHAMBER

for the year 1924 presented to the Annual General Meeting of the Chamber held on 31st January, 1925

Your Committee have pleasure in presenting the Seventeenth Annual Report of your Chamber. During the course of the year 39 meetings were held, the work done being of a varied and important nature.

The principal subjects dealt with by your Committee related to the following main heads:—

(*a*) Railways and Shipping; (*b*) Currency, Exchange and Finance; (*c*) Government Stores Purchase Policy; (*d*) Tariffs and Taxation; (*e*) Public Enquiry Committees and Commissions; (*f*) Trade and Industrial Legislation; (*g*) General Trade and Industry; (*h*) Interviews with Government Officials (*i*) General.

(A) RAILWAYS AND SHIPPING.

(a) Railways:—

1. Notice issued by the B. B. & C. I. Railway re: Registration of goods and distribution of wagons:—

The General Traffic Manager of the B. B. & C. I. Railway forwarded a copy of the above notice and trusted it would meet with the

general approval of the traders. The Notice stated that in order to ensure a fair distribution of wagons it had been decided that a list of traders dealing in each class of merchandise would be drawn up, the names being registered in order according to the quantities despatched and Station Master would post daily the number of wagons allotted to each. The Committee in reply stated that the scheme described in the notice did not appeal to them at all *prima facie* and they strongly protested against it. Before going into details however they requested the General Traffic Manager of the B. B. & C. I. Railway to meet the Transport Sub-Committee of the Chamber to discuss the whole procedure.

The Transport Sub-Committee had an interview with the General Traffic Manager on the 15th April 1924. The General Traffic Manager explained at length the new scheme and hoped that the merchants would find it more convenient and advantageous. The Transport Sub-Committee thereupon agreed to see how the scheme worked.

2. Chamber's representative on the G. I. P. Railway Local Advisory Committee :—

A letter was received from the G. I. P. Railway, inviting the Chamber to nominate a member to serve on the above Committee. A copy of the constitution and the rules of business was enclosed with the letter.

The Committee nominated the Hon'ble Mr. Phiroze. C. Sethna, O. B. E, as the Chamber's representative on the above Committee.

As the Hon. Mr. Sethna went to Europe on leave from July to November, Mr. B. F. Madon was nominated to serve on the Committee during the absence of the Hon. Mr. Sethna.

3. Representative of the Passenger and Traffic Relief Association on the Local Advisory Committee of the B. B. & C. I. Railway :—

At the request of the above Association the Committee addressed a letter to the Agent, B. B. & C. I. Railway suggesting that it was

desirable that the Passenger and Traffic Relief Association of Bombay should have a representative on the Local Advisory Committee of the B. B. & C. I. Railway. In reply the Agent stated that the matter would receive due consideration after the Committee met.

4. Establishment of a Rates Tribunal:—

At the instance of some merchants of Dubrajpur the Committee addressed a letter to the Government of India, Department of Commerce, drawing their attention to the inequalities in railway rates between different stations with almost an equal distance between them and requested Government to hasten the establishment of a Rates Tribunal. The above letter was transferred to the Railway Department for disposal. The latter in their reply dated 17th April 1924 stated that the question of the establishment of a Rates Tribunal was under correspondence with the Secretary of State for India. In reply the Committee expressed their great surprise that the question was still under correspondence and hoped that the Government would be good enough to request the Secretary of State to expedite the matter.

5. Financing of Branch lines of Railways:—

A letter was received from the Government of Bombay, Public Works Department, dated 19th February 1924, enclosing copy of a letter from the Secretary, Railway Board, on the above subject. The Committee were requested to send their views on the proposal contained therein. The letter of the Secretary, Railway Board, stated that having regard to the disadvantages and complications resulting from the construction of lines by branch line companies, the Railway Board had submitted certain proposals to the Government of India which, it was maintained, would afford a more satisfactory method of arranging for the construction of railways required for purely local purposes but not likely to be remunerative than any other method previously adopted. In reply the Committee stated that they agreed with the Inchcape Committee in the view that further construction of railways should be on a commercial and

consequently on a remunerative basis with certain reservations. With regard to the proposal of the Railway Board that where such lines were advocated by local bodies or local Governments, should the same in the opinion of the Railway Board not be remunerative, the construction of such lines may be undertaken by the Railway Board from their own funds only if the local authorities or the local Governments agreed to guarantee the Railway Board against loss on the working of such lines, the Committee thought it most desirable that the Railway Board themselves should undertake such construction where they were satisfied that a line would largely conduce to the development, progress and welfare of the area concerned. The Committee were opposed to the suggested guarantee by any local authority or local government. They emphasised the need of a fair distribution of such new construction over various provinces of India and urged on Government a discriminate policy of future construction of branch lines so as to give a fair share of it to each part of the country. They generally approved of what the Acworth Committee had said as regards construction of feeder railways.

6. Distribution of wagons on the Madras & Southern Mahratta Railway:—

A letter was received from a member of the Chamber from Hubli stating that the above railway was giving preference to a certain firm in the distribution of wagons while no wagons were allotted to cotton merchants and millowners. The Committee forwarded a copy of this letter to the General Traffic Manager of the Railway concerned requesting him to institute proper enquiries into the matter. In reply the Committee were informed that no undue preference in the supply of wagons was given to the firm mentioned at Hubli.

7. Working Agency for the Central India Coal-fields Railway:—

The Railway Board having sanctioned the commencement of the construction of a line of Railway to serve the new coal-fields east of Jubbulpore line between Jherria and Ranigunge on the one

hand and the Allahabad Jubbulpore line on the other, the Committee suggested to the Railway Board, Government of India, that the working of this line should be given to the Great Indian Peninsula Railway.

8. Practice of using edged hooks for removing goods on Railways :—

At the instance of a member of the Chamber a letter was addressed to the G. I. P. and the B. B. & C. I. Railways stating that the practice of using edged hooks for removing goods was reported to be in vogue on certain railways and that this caused considerable damage to certain kinds of goods especially piecegoods.

In reply the Chief Traffic Manager, G. I. P. Ry., stated he had written to the divisional officers advising them to instruct their staff to exercise more care in handling valuable and piecegoods consignments.

The General Traffic Manager, B. B. & C. I. Railway stated that orders had been issued to the Railway staff at Carnac Bridge not to use hooks when handling bales of piecegoods.

9. Restrictions on traffic *via* Poona on the G. I. P. Ry :—

The attention of the Committee having been drawn to the above by a member of the Chamber, a letter was addressed on 3rd April 1924 to the Chief Traffic Manager, G. I. P. Ry., stating that much hardship was being experienced by the rice trade in general due to the closing of the booking over the G. I. P. Ry., to via Poona stations. In reply the Chief Traffic Manager, in his letter dated the 10th April 1924, stated that there was an accumulation of wagons waiting transhipment to the M. & S. M. Railway at Poona through the phenomenal rush of traffic. As soon as the accumulation of loaded wagons had been cleared booking would be opened. On 13th May, 1924 the Committee addressed the Agent, G. I. P. Ry., enclosing copies of the above correspondence. They stated that since then matters instead of improving had gone worse and the climax was reached on Monday,

the 12th May, which was announced as the only day on which traffic for *via* Poona stations would be admitted into the gates and accepted for despatch. The Committee hoped that the Agent would be good enough to look into this question and to remove restrictions as soon as possible. In reply a letter was received from the Agent, G. I. P. Ry., stating that the matter was receiving constant attention. He explained that every effort was made by the Railway to handle an increased tonnage at Poona and improvement in this direction was gradually being effected. He tried to show by citing figures that Bombay really had been given preference and assured the Committee that every endeavour was being made to move the Traffic offering as expeditiously as possible and to remove the restrictions at the earliest possible moment.

10. Railway Difficulties :—

A letter was received from Mr. Ramji Bharmal enclosing a copy of his article on Railway Difficulties for necessary action. The Committee forwarded the same to their representatives on the Local Advisory Committees, B. B. & C. I. and G. I. P. Rys. respectively.

11. Revision of Railway Risknote Forms :—

The attention of the Committee having been drawn by a member of the Committee to the fact that the G. I. P. Railway would not accept consignments of stores for transit at owners' risk unless the remark "packing defective" was made on the Railway Receipt however securely the goods may have been packed, a letter was addressed to the Railway Board, Simla, requesting them to inform the Committee when the recommendations of the Railway Risknote Committee would be put into effect. In reply the Committee were informed that the revised Risknote Forms would be introduced on railways with effect from 1st October 1924. The revised Forms were published in the Gazette of India, Part I, of the 12th July 1924.

12. Inequalities in railway rates on the G. I. P Railway :—

A letter was received from Mr. Ramji Bharmal drawing the attention of the Committee to certain inequalities in rates prevailing

on the G. I. P. Railway. The Committee were requested to move the railway authorities to revise the rates and do away with the inequalities prevailing. The Committee referred this matter to their representative on the Advisory Committee of the G. I. P. Railway.

13. Railway freight on non-safety matches :—

At the instance of the Gujarat Islam Match Manufacturing Co. Ltd., Ahmedabad, a member of the Chamber, a letter was addressed to the B. B. & C. I. Railway with regard to the railway freight on non-safety matches. In reply a letter was received from the Traffic Superintendent, B. B. & C. I. Ry. stating that the rule applicable to dangerous goods authorised consignments booked on days on which a regular service was run to be charged on actual weight and consignments booked on days other than those on which a regular service was run being charged on a minimum weight of 20 maunds. So far as the B. B. & C. I. Railway was concerned a regular service for the carriage of consignments of non-safety matches was run from Ahmedabad on Tuesdays for broad-gauge stations and Fridays for metre-gauge stations and consequently charges were levied over the B. B. & C. I. Ry. on actual weight if non-safety matches were booked on those days. Over foreign railways except G. I P., and N.-W., over which charges were levied on actual weight, charges were levied on a minimum weight of 20 maunds as they had no regular service for carriage of dangerous goods. The Committee thereupon addressed the Railway Board, Government of India, requesting them to move the M. & S. M. Railway and any other railway which might not have got a regular service, to introduce such a service for the carriage of dangerous goods in the interest of the Indian match manufacturing industry. The Railway Board in reply requested the Committee to write to the different Railways direct. A letter was accordingly addressed to the M. & S. M. Railway requesting them to make suitable arrangements for the carriage of non-safety matches charged on actual weight.

In reply the M. & S. M. Railway stated that small consignments of non-safety matches charged on actual weight would be accepted

for despatch in the direction of Raichur on Wednesdays but there was no similar service in the reverse direction and freight was calculated on the minimum weight of 20 maunds for each consignment. In reply the Committee pointed out that the effect of the existing arrangements was that indigenous non-safety matches were greatly handicapped as against the foreign imported matches and hence the Indian match manufacturers were put to a great disadvantage. The Committee therefore requested the M. & S. M. Railway to reconsider the matter and provide such facilities for the booking of non-safety matches from Raichur to Madras as exist in the reverse direction.

In this connection a letter was also addressed to the N. G. S. Railway, Morvi State Railway, and the Oudh & Rohilkhand Railway requesting them to provide suitable arrangements for the carriage of non-safety matches booked from Ahmedabad on Tuesdays on the basis of actual weight instead of the present minimum weight of 20 maunds. In reply the N. G. S. Railway stated that the minimum weight of 20 maunds could not be altered into actual weight as no regular service was run on the line. The Traffic Manager, O. & R. Railway requested to be imformed as to the names of stations where matches from Ahmedabad were booked to and in what quantities to each destination on or *via* that Railway. Copies of these replies were forwarded to the Gujarat Islam Match Manufacturing Company who were requested to supply the Committee with the information asked for by the O. and R. Railway.

14. New rules for the packing of consignments of piece-goods introduced by Railways:—

The attention of the Committee was drawn to the above by the Ahmedabad Millowners' Association and the Karachi Buyers and Shippers Chamber. The Committee sent a telegram to the Railway Board urging them to cancel the new rules if it was possible for them to do so, or if not, atleast to defer enforcement of the new rules till they were considered by the Indian Railway Conference Association and decision arrived at in the matter. The Committee also addressed a letter to the Railway Board, mentioning reasons why the new rules should not be enforced. In reply

the Railway Board stated that the introduction of new rules had been postponed to 1st January, 1925, and that the question of a further postponement was under the consideration of the Indian Railway Conference Association.

15. Grievances of merchants against the Jodhpur Bikaner Railway :—

At the instance of some merchants of Jodhpur, the Committee addressed the J. B. Railway stating that they were informed that a notice had been issued by the Railway to all merchants that their claims against it would not be entertained if they were merely signed by them and the agents had not got a duly executed Power of Attorney. The Committee desired to know if such a notice had been issued and if so to supply them with a copy of the same. In reply the Committee were informed that the Railway had taken exception to letters purporting to have been signed by consignees but really signed by others. After some time the Committee were informed by the merchants that after the Committee had taken action the J. B. Railway authorities issued a notice to the effect that they would hear the claims of merchants represented by their agents if an unstamped Power of Attorney on behalf of their clients was submitted but again some time after a notice was issued to the effect that no application from claim agencies on behalf of their clients would be entertained unless they were accompanied by a duly authorised Power of Attorney. The Committee were requested to do the needful. The Committee in reply informed the merchants that they thought that the procedure adopted by the Railway authorities was justified.

16. Illegal gratifications exacted by booking clerks, etc., at railway stations from merchants :—

The attention of the Committee having been drawn to the above, correspondence was carried on with the authorities of the G. I. P. and the B. B. & C. I. Railways as a result of which the Divisional Traffic Manager, Wari Bunder, G. I. P. Railway informed the Committee that he was prepared to do everything in his power to stamp out the evil but to make any measures efficacious

the public must cooperate with the Railway Company both by not offering gratification and also by reporting any cases in which gratification was asked for or taken. He had warned all the staff that severest penalty would be inflicted if any complaint regarding illegal gratification could be substantiated against them. He has appealed to the commercial community in Bombay to assist the Railway Company in stamping out this evil.

(b) Shipping.

17. Renewal of the Eastern Mail Services Contract with the Peninsular & Oriental Steam Navigation Co., Ld (Vide item No. 7 of the Annual Report for 1923.) :—

In reply to the Committee's letter dated the 8th October 1923, a letter was received from the Government of India, Department of Industries and Labour, stating that they had already recommended that the new contract should be for a period not exceeding five years if so short a term could be arranged without unduly raising the amount of subsidy required. With regard to the Committe's suggestion that one of the fundamental terms of the contract should be that Indians should be employed as far as possible, it was stated that the adoption of this recommendation would in all probability enhance the cost of the contract. The Committee were reminded that the question of the training of Indians for different grades of the Mercantile Marine was under investigation by a Committee and in the opinion of the Government of India the proper course would be to consider and act upon the recommendations of that Committee. Lastly the Government were unable to accept the view that the details of such a contract could suitably be referred to the Legislative Assembly for discussion. It was resolved to record this letter.

18. Employment of Lascars in Northern Latitudes during winter months :—

A letter was received from the Shipping Master, Bombay, forwarding an extract from a letter of the Government of India, Department of Commerce, dated 30th April 1924 on the above

subject. The Committee were requested to furnish him with the views of the shipping companies concerned on the question referred to therein. It was stated in the letter of the Government of India that the wording of the first proviso to the first clause in the Lascar Agreement did not express what was obviously the intention of the agreement which restricted the employment of lascars in northern latitudes during the winter months. It was accordingly suggested to bring the wording of the Lascars agreement more into agreement with the obvious intention. The Committee in reply stated that they had no views to offer.

19. Proposed scheme for the administration of Ports and Shipping by the Government of India :—

The opinion of the Chamber was invited on the above subject by the Government of Bombay, Marine Department. It was stated in the enclosed letter of the Government of India, Department of Commerce, that under the Devolution Rules Shipping and Navigation and Major Ports fell under the Central subjects and for various reasons mentioned in the letter it seemed clear that on the one hand the administration of Ports and Shipping should continue to be Central and should not be provincialised. On the other hand it was difficult under the agency system either for the local Government or for the Government of India to satisfactorily discharge their responsibilities. It seemed to follow therefore that Ports and Shipping should be administered direct as a Central subject by the Government of India and that was the conclusion towards which the Government of India were provisionally inclined. A scheme for the administering and financing of Ports and Shipping prepared on this basis was appended to the letter. The Committee opposed the proposed scheme and urged that the administration of Ports and Shipping should remain under the Provincial Governments as at present. The Committee took the opportunity of urging upon the Government of India that efforts should be made by them in the matter of having Indian majority on all the Port Trust Boards and also that the various services in each Port Trust should be Indianised.

20. Statutory Rules regarding the loading of vessels in the Bay of Bengal :—

A letter was received from the Government of India, Department of Commerce, stating that the Court of Investigation appointed by the Government of Bengal to enquire into the circumstances attending the loss of S. S. "Okara" recommended that the rules relating to the period for Indian summer should be reconsidered and the protected period made to cover the whole of May and November. The Government of India were considering what action should be taken on this recommendation and they invited the views of the Chamber thereon. The Committee in reply stated that they were of opinion that it was desirable to include the months of May and November in the above statutory rules.

(B) CURRENCY, EXCHANGE AND FINANCE.

(a) Currency and Exchange :—

21. Exchange and Sale of Gold from the Currency Reserve (Vide items Nos. 19 & 20 of the Annual Report of the Chamber for 1923) :—

With reference to the speech delivered by the Honourable the Finance Member at the Conference of the Associated Chambers of Commerce on the 4th December 1923 on the above subject, a letter was addressed to the Finance Department, Government of India, protesting against the sale of gold. With regard to the reversion to the pre-war ratio in the Indian Coinage and Paper Currency Acts the Committee pointed out that the change in the unit of value was a fraud on all producers and all debtors and they objected to allowing this fraud to continue on the Statute Book. The Committee emphasised that their representations and criticisms were not made from any merely political motives but had always for their object the placing of the country on a sound gold standard at the earliest possible date. In reply the Government of India, Finance Department, stated that the Committee's criticism that the two shillings rate was a fraud on all producers and debtors appeared to ignore

the fact that it was inoperative and the express disclaimer of the Finance Member that the Government had any intention of forcing up the exchange value of the Rupee with a view to making that rate effective. With regard to the Committee's criticisms regarding the sale of gold it was pointed out that the Committee appeared to regard the internal circulation of the gold currency as an indispensable adjunct of any true gold standard. In conclusion the letter stated that the observations of the Finance Member about the disadvantages of introducing political motives in the discussion of practical problems were not specially directed at the Indian Merchants' Chamber and the Government of India readily accepted the assurance of the Committee that their represetations were made with the sole intention of elucidating the subject. In reply the Committee sent a further communication, replying to the various arguments advanced in the above letter.

In reply the Government of India, Finance Department, stated that they did not think any useful purpose would be served by pursuing the matter further.

22. Financial stringency:—

The Committee addressed a telegram to the Government of India, Finance Department, on the 16th February 1924 stating that in view of very great stringency in the money market and extraordinarily high rates of interest they strongly urged upon Government the necessity of immediate action to provide further emergency currency beyond Rs. 12 crores already provided in the Act to meet the needs of the situation.

23. Exchange situation:—

In the second week of October the Committee sent a telegram to the Government of India, Finance Department, regretting their inaction in face of the exchange and money market situation. It was pointed out that purchases of sterling merely transferred funds from Government account to the account of bankers without

providing markets with fresh money. If exchange had been put back to 16d. gold large amount of gold would have been tendered to the Currency Office against issue of local currency and would have created additional supplies of sound currency. The Committee once more strongly urged Government to take prompt action on these lines unless Government considered great uncertainty regarding exchange to be in the interests of commerce and high exchange beneficial to Indian industries.

24. Bills to amend the Indian Coinage Act, 1906 and the Indian Paper Currency Act, 1923:—

In view of the unsatisfactory reply given by the Honourable the Finance Member at the time of his interview with the Committee, the Committee requested Sir Purshotamdas Thakurdas, Chamber's representative on the Legislative Assembly, to give notice of introducing Bills to amend the Indian Coinage and the Indian Paper Currency Acts with the object of changing the ratio of the Rupee in the Statute Book from two shillings to 1s. 4d. gold. As it appeared to the Committee that the Bills were not likely to come up for discussion in the Assembly during the September session they sent a telegram on the 17th September to the Private Secretary to his Excellency the Viceroy urging His Excellency to grant a special day for consideration of these Bills in view of the extreme importance of the whole subject because otherwise the Committee feared that a very serious situation was likely to arise in near future.

25. Rate of exchange for the payment of Bills drawn in foreign currencies:—

A letter was received from the Government of India, Finance Department, drawing the attention of the Committee to the resolution passed by the Associated Chambers of Commerce at their meeting of the 4th December 1923 in Bombay to the effect that, the Government of India should effect legislation on the lines of the Hongkong Bill of Exchange Ordinance, 1921, so as to provide that, in the absence of any express stipulation to the

contrary, all bills drawn in foreign currencies be payable at the rate of exchange ruling on the date of actual payment.

It was stated that before embarking upon any legislation of the nature proposed the Government of India were anxious to ascertain the exact reasons which led the Chamber to think that no change in the law was necessary. In reply the Committee stated that after considering all the arguments put forward, they saw no reason to change their views originally conveyed to Government in their letter of the 8th November, 1922.

26. Budget of the Government of India for 1924-25:—

With regard to the Budget of the Government of India for 1924-25 the Committee sent a telegram to the Finance Department, Government of India, on the 1st March 1924 regretting that salt duty was not proposed to be reduced to original Rs. 1-4 per maund inspite of universal protest against the increase last year. They considered the surplus could not be better utilised than by reducing the Salt tax to Rs. 1-4. They further regretted Government should have departed from sound accountancy practice in adopting a higher rate than 1s. 4d. which formed the basis for the past two years. They further considered it highly unsound to have utilised the windfall in the nature of profits from enemy ships in order to balance the Budget and protested strongly against the procedure adopted. They however welcomed indications in the Budget that there would be no sterling loans this year. They also emphatically protested against manipulation of currency as shown in paragraph 60 of the Financial Statement.

27. Utilisation of Profits from the working of Enemy Ships:—

The Scindia Steam Navigation Company, Ltd., supplied the Chamber with a copy of their representation to the Indian Mercantile Marine Committee requesting them to recommend to the Government of India to earmark the undisposed profits

amounting to £3,790,192-19s-8d. resulting from the working of enemy ships under the control of the India Office upto 31st March 1922 for assisting the building up and development of Indian Mercantile Marine and requested the Committee to support their representation. A letter was accordingly addressed to the Government of India, Department of Commerce, suggesting that the Government of India should hold up this balance for the development of the Indian Mercantile Marine till the report of the Indian Mercantile Marine Committee had been considered by the Indian Legislature. In reply the Committee were informed by the Government that although some profits had accrued from the working of ex-enemy ships the existence of certain special revenue arising out of war and after war conditions could have no bearing on the question whether money could and should be provided by the Government for developing the Indian Mercantile Marine. If money was to be provided it must be voted in the ordinary way by the Legislative Assembly as part of the Budget. Copies of this correspondence were forwarded to the Chamber's representative on the Assembly, Sir Purshotamdas Thakurdas, with a request to take necessary action in the matter.

28. Separation of Railway Finance from General Finance:—

The Committee considered the above question which was to come before the Assembly. They approved of the separation of Railway Finance from General Finance. They considered the two alternatives for the Government to get their contribution viz', (1) whether it should be a percentage on capital as under the scheme now proposed, or (2) such a percentage of profits earned as may be determined by the Assembly, the profits to be arrived at on a commercial basis. This proportion was to be fixed periodically by the Assembly and after getting the due share for the Government the surplus may be utilised for such objects as may be determined by the body appointed. The Committee ultimately approved of the second alternative. One of the members of the Committee suggested that out of this surplus no expenditure should be incurred except with the consent of the Legislative Assembly.

(C) GOVERNMENT STORES PURCHASE POLICY.

29. Notice of tenders issued by the Superintendent, Harness & Sadlery Factory, Cawnpore:—

The attention of the Committee having been drawn to a notification inviting tenders for the supply of limed buffalo and cow hides which contained a rather unusual condition that parties desiring to tender should apply for tender forms with a written application "accompanied by a certificate of capacity in the line and financial position," a letter was addressed to the Director of Ordnance Factories, Delhi, requesting him to supply the reasons for inserting this condition. In reply the Director of Ordnance Factories stated that the reason for inserting this condition was to ensure that no party of "no standing" commercially or financially tendered to the Department. In reply the Committee stated that the words "no standing" were vague and relative and there would be no objection to requiring from the tendering firms such reasonable security as each case might warrant. The Committee therefore hoped that the clause would be deleted from all tender forms issued by the Department.

30. Placing of orders by the High Commissioner for India in the cheapest market:—

The Committee sent a telegram to the Government of India, Department of Industries and Labour on 16th February 1924 recording their appreciation of the action of the High Commissioner in buying in the cheapest market in case of the purchase of locomotives from Germany and trusted he would continue to buy in the cheapest market undeterred by interested agitation.

31. Purchases of Stores by Provincial Governments:—

A letter was addressed to the Government of Bombay, General Department, suggesting that the Government of Bombay should utilise the benefit of the Indian Stores Department, India, thereby avoiding occurrences of purchases outside India of articles available here. It was also suggested that it would be better if Home indents

of all nature sent to England by different indenting officers of the Government were first scrutinised by the Indian Stores Department.

In reply the Government of Bombay stated that they had already laid down more than once that articles manufactured in India should be given preference over imported articles provided their quality was suitable and their price not unfavourable and that even at present the indenting Officers under the Bombay Government were free to utilise the agency of the Indian Stores Department whenever they desired to do so.

32. Specifications of Stores required by Government :—

The Committee addressed the Government of India, Department of Industries and Labour, stating that it was the experience of several members of the Committee that one of the main reasons adduced for placing orders of the Government of India with the High Commissioner and not with local firms was that the latter were not able to manufacture to specifications fixed by Government. They were informed that the specifications in force at present were quite out of place for the Indian climate and they cited the instance of cement, the specifications for which were based on models taken from Western countries and were too high for this country. They considered that it was high time that Indian specifications should be compiled for all requirements of Government.

In reply a letter was received from the Government of India, Department of Industries & Labour, stating that the policy which the Government of India had laid down before them was to prescribe standards which were acceptable and which would ensure that the article met the requirements of the consumers and at the same time to take all possible steps to assist manufacturers in working up to the standards required. As regards cement, the Government were quite unable to accept the statements made in the Committee's letter. On the contrary experience showed that cement manufacturers in India so far from finding the standard specifications too high had found no difficulty in manufacturing cement well above the standard specification. This letter is under consideration.

33. Half-yearly Statements regarding purchase of Stores by the India Stores Department, London :—

A letter was received from the Government of India, Department of Industries and Labour, enclosing a half-yearly statement of cases in which the lowest tenders had not been accepted by the India Stores Department, London, for the period ending 31st December, 1923. The Committee addressed a letter to the Government of India, criticising the various reasons adduced by the High Commissioner for the rejection of the lowest tenders.

With reference to the cost of inspection abroad the Committee suggested that Government should give a retainer to some Engineering firms and Engineers and professional experts to carry on the inspection of stores, orders for which had been placed in those countries. In reply the Government of India replied to the criticisms made by the Committee. As regards the cost of inspection outside Great Britain the suggestion made by the Committee would not, in the opinion of the Government, effect economy. The letter was recorded.

34. Purchase of 37 Locomotives by the Bengal Nagpur Railway :—

The attention of the Committee having been drawn to a telegram appearing in local papers to the effect that a contract for 37 heavy main line locomotives for the Bengal Nagpur Railway was placed with a British firm in the face of very strong foreign competition they sent a telegram to the Railway Board requesting to be supplied with full details regarding the contract.

In reply the Committee were informed that (1) the call for tenders was made by the Railway company in accordance with the terms of its contract and the Railway Board had no detailed information about it but they saw no reason to doubt that in placing the contract the Railway Company had due regard to the principles laid down in the letter of the Government of India to the High Commissioner for India which was reprinted in the official report of the Indian Legislative Assembly for 18th March, 1922. (2) Tenders for these

locomotives were not called for in India. (3) The outlay on these locomotives was part of the Rs. 150 crores programme. (4) These locomotives were not included in the 60 locomotives for which tenders were invited in November last.

35. New Stores Purchase Rules:—

In May last, the Government of India published new rules for the supply of articles for public service. As the Committee considered these rules as entirely unsatisfactory, they addressed a letter to the Government of India, Department of Industries and Labour, expressing their disapproval of the new rules and criticising the policy of Government in this respect. The Committee urged that all purchases should be made through the Chief Controller of stores in India, and that all tenders should be invited in India and in rupees to be dealt with by the Chief Controller of Stores. The Committee also submitted to Government draft rules, prepared on the lines indicated above, and requested them to adopt the same as soon as possible.

(D) TARIFFS AND TAXATION.

36. Proposal to revive the former system of periodical agreements to pay fixed income tax:—

The Grain Merchants' Association, Bombay, forwarded to the Committee a copy of their letter addressed to the Commissioner of Income tax with regard to the above proposal and requested the Committee to support their representation. The Committee in reply stated that Income tax was an annual tax imposed and assessed year by year and under the circumstances the Income tax officer could not bind the crown as to the basis of the amount of assessment payable in future years.

37. Amendment of Section 42 (1) of the Indian Income-tax Act, 1922:—

A letter was received from the Government of India, Finance Department, inviting the opinion of the Chamber on the above

amendment. Under the existing section it was possible for the parent and subsidiary firms so to adjust their accounts and so to arrange their transactions that no profits should ostensibly accrue or arise or be received in British India. It was to enable the assessment of non-resident firms on a profit arising out of transactions in British India conducted through a subsidiary firm, agent, etc., that this section was enacted. In order to give effect to the intention of the Legislature it was proposed to suitably amend that section. The Committee in reply approved of the suggestion. At the same time they enquired why there was no mention in the proposed new section of arrears of tax which were provided for in the existing section 42 (1). It was also stated that there was a general feeling that non-Indian firms had not been assessed to their full quota of taxation in the same way as Indian firms had been.

In reply a letter was received from the Government of India, Finance Department, stating that the proviso to the present section 42 (1) would be retained when the section was amended as proposed. It may be said generally that the object of the Government of India was as far as possible, to place firms with their headquarters abroad which were conducting business in India in exactly the same position as regards income tax as firms with their headquarters in India engaged in the same kind of business. The Committee requested Sir Purshotamdas Thakurdas, Kt., C. I. E., M. B. E, M. L. A., their representative on the Indian Legislative Assembly, to discuss personally the matter with the Secretary to the Government of India, Finance Department, (Central Revenues). Accordingly Sir Purshotamdas Thakurdas had an interview with Mr. Tottenham, who assured him that Government had been assessing the foreign firms under reference by the Chamber adequately. Mr. Tottenham however added that if the Committee had any suggestions to make, his Department would be grateful for the same.

38. Certificates of Dividends under Section 20 of the Indian Income-tax Act, 1922 :—

A letter was received from the Secretary, Central Board of Revenues, Government of India, suggesting that as an alternative

to the procedure of issuing the certificate as part of the warrant. the Dividend warrants should be machine numbered and all certificates granted under Section 20 of the Act relating to a particular dividend should bear the same number as the corresponding warrant so at to make it clear to which warrant each certificate related. It was also suggested that it was desirable to print on the certificate a note to the effect that shareholders in India may claim refund of tax under Section 48 (1) of the Act in respect of dividends if their personal rate was less than the maximum. The Committee in reply suggested that as the information contained in the above letter was very useful to the commercial community and the public in general, it should be given as wide a publicity as possible in the form of a Press-note.

39. Proposed legislation for assessment of Registered firms to Super-tax :—

A letter was received from the Government of India, Finance Department (Central Revenues), dated the 7th June 1924, stating that owing to a recent decision of the Bombay High Court on a reference under Section 66 of the Income-tax Act made by the Commissioner of Income-tax, Bombay, the practice hitherto followed by the Income-tax Department in the matter of assessing the partners of a registered firm to super-tax when there had been a change in the respective shares of the partners or in the personnel of the firm had been declared illegal. The Government had therefore to decide what steps they should take in consequence and the opinion of the Chamber was invited as to whether an amendment legalising the practice followed hitherto or an amendment providing for recovery of the super-tax on the share of a retiring or absent partner from the remaining partners was to be preferred.

The Committee in reply stated that they did not approve of the first alternative as that assessment would be on a hypothetical figure and not on the actual figure earned by the individual. They therefore suggested that an amendment providing for the recovery of the super-tax on the share of the retiring or absent partner may

be made in section 57 of the Indian Income-tax Act, 1922, enabling the Government to recover super-tax from the surviving or continuing partner of the old or discontinued firm, on the lines of section 44 which might be amended further by giving powers under the Act to the surviving or continuing partners to retain in their hands a sum sufficient to pay the super-tax chargeable to the retiring partner out of his share of profits earned. The subject was also discussed with the Hon'ble Mr. Tottenham, First Member of the Board of Central Revenues, when he met the Finance Sub-Committee on Friday, the 29th August 1924.

40. Avoidance of Income-tax and Super-tax by the formation of bogus Firms and Companies :—

It will be recalled that the opinion of the Chamber was invited during the latter part of the last year on the above subject (Vide Annual Report of the Chamber for the year 1923, pages 258-64). Towards the beginning of June this year another letter was received on the subject from the Government of India, who stated that after considering the replies to their first letter it had been decided to invite opinion on the revised proposals as below : According to the revised proposals, the Government of India proposed to take advantage of the recent creation by the Income-tax Amendment Act, 1924 of a new class of assessees, *viz.*, "association of individuals other than a firm, company or Hindu undivided family." To meet the difficulty in case of firms it was first proposed to insert in the Act the definition of 'firm.' A 'firm' would be defined as a firm within the meaning of section 239 of the Indian Contract Act, 1872, with the further condition that there must be at least two partners authorised to bind the firm by their action. It was next proposed to insert a provision to the effect that where any association of individuals formed for the purpose of carrying on business was under the control of a single member the assessing authority would have discretion to include the shares in its profits to which each member was entitled in the total income of such members for the purpose of assessing him to Income-tax and Super-tax. The Association as such would then not be liable to Income-tax or Super-tax. The

Income-tax officer's decision on this point would be subject to appeal to the Assistant Commissioner and to revision by the Commissioner of Income-tax. Turning to the question of companies it was in the first place intended to limit the proposed legislation to Companies which (*a*) restricted the right to transfer of shares, (*b*) did not issue any invitation to the public to subscribe to their shares or debentures, or (*c*) limited the number of members exclusive of employees to 50 or (*d*) were under the control of not more than 7 members. It was next proposed to give the assessing authorities precisely the same discretion in regard to assessment of the profits of such companies as has been proposed above in regard to the assessment of a bogus firm.

In reply the Committee sent their views on the suggestion of the Government with regard to appeals on the 16th July and reserved their views on other points for a later date. The Committee were obliged to say that the suggestion of the Government with regard to appeals was not at all satisfactory and fell far short of the requirements of the situation. They therefore urged that their suggestion made last year with reference to the appeal to the High Court should be accepted.

After the Finance Sub-Committee had discussed this subject with the Hon'ble Mr. Tottenham, First Member, Central Board of Revenues on the 29th August 1924, the Committee communicated their views on further issues raised in the Government letter. With regard to firms the Committee suggested that the definition of 'firm' as given in section 239 of the Indian Contract Act should be inserted in the new Act without any further conditions. With regard to Companies both public and private the Committee pointed out that in England out of a total of 82,000 Joint Stock Companies 66,000 were private limited companies and the evasion would amount to nearly half the total revenue of the country. In this country, however, the evil was not so widespread as to warrant any new legislation. The Committee realised however that in some cases it was possible to evade taxation by giving loans from Companies to principal partners or to other companies under the same

management without any interest but this could be prevented by providing that such loans should always bear interest at normal market rates.

41. Increases in certain rates by the Bombay Port Trust :—

The attention of the Committee was drawn to the above increases by two members of the Committee. A letter was also received from the Deputy Chairman, Port Trust, stating that the Trustees had sanctioned, subject to the sanction of Government, certain revisions in the docks and other scales of rates with effect from 1st April 1924.

The Committee in reply strongly protested against the proposed levying of charges on luggage of deck passengers (not coastal) because the deck passengers were mainly small traders and clerks going to Aden, Port Said and Africa on trade and business. The expenditure of the Port Trust was increasing at a rapid pace and the Committee felt that the interests of the commercial community demanded that there should be retrenchment in this expenditure.

In reply the Committee were informed that expenditure both on capital and general accounts had for some time past been restricted to works of purely essential nature while staff, repairs, maintenance and general working expenses were being kept at the lowest possible figure compatible with efficiency. With a view to investigate the possibility of further retrenchment in expenditure the Trustees had requested Government to select a suitable officer to conduct an investigation into the working of the Railway Department; and in regard to the other Departments of the Trust, the Chairman was submitting proposals to the Board for an independent enquiry and report. The letter was recorded.

42. Charge on passengers' baggage levied by the Bombay Port Trust on passengers to and from Aden :—

The attention of the Committee having been drawn by a member of the Committee to the above fact, they addressed a letter to the

Bombay Port Trust urging that as they had exempted baggage accompanying passengers on Coastal and Persian Gulf services, passengers to and from Aden which was under the administration of Bombay should be similarly exempted. In reply the Committee were informed that although Aden was under the administration of the Government of Bombay it was not a coastal port and was therefore not included in the exemptions allowed. The Committee again wrote to the Port Trust stating that they saw no reason why passengers to and from Aden should not be exempted specially as passengers to and from Persian Gulf ports had been exempted. The Committee hoped that the Trustees would be good enough to reconsider the matter and revise their decision.

In reply they were informed that the question raised by them was fully considered at the time the levy on baggages was introduced and no fresh reasons had been adduced for a reconsideration of the decision arrived at by the Trustees. The Committee in reply requested the Secretary, Bombay Port Trust, to place the correspondence passed between the Chamber and the Port Trust on the subject before the Board of Trustees. In reply the Committee were informed that the correspondence was placed before the Trustees who saw no ground for exempting Aden passengers from this charge.

43. Municipal Terminal Tax and the Bombay Port Trust :—

A letter was received from the Bombay Port Trust regarding the proposal of the Municipality to substitute a non-refundable Terminal Tax for the present Town duties levy and to enlarge the schedule of articles on which the levy was to be made. It was stated that the Chairman had under consideration the effects that might be anticipated from the incidence of the tax on the trade of Bombay particularly in so far as it might operate detrimentally to the trade of the Port. As the interests of the Chamber and of the Port Trust in this matter were very largely identical the Chairman of the Bombay Port Trust was of opinion that it would lend force to any protest to the Municipality if the representations were in agreement

on principal points. The views of the Chamber on the proposed inclusion in the schedule of any item of trade that with the imposition of a tax was liable to be adversely affected were therefore invited.

In reply the Committee forwarded to the Bombay Port Trust a copy of the letter addressed by them to the Bombay Municipal Corporation in January 1923 on the subject in which they had suggested some changes in the schedule of the Terminal Tax proposed by the Corporation. The Committee had, however, reconsidered the matter and thought it necessary to change their views which they expressed in their previous communication. The Committee now thought that the trade and industries of the city could not bear any further taxation and it would not be to their interest to allow the Terminal Tax to be increased so as so bring in a much larger revenue than what the Municipal Corporation was getting at present. They however, before sending these views to the Corporation were awaiting the report of the Committee appointed by the Corporation.

In this connection the Committee also requested the Municipal Secretary to give them an opportunity of expressing their views on the Report of the Committee of the Corporation regarding the Terminal Tax when ready.

44. Town Duty Refund Rules :—

A letter was received from the Municipal Secretary, Bombay, informing the Committee that the special Committee of the Corporation to whom the question regarding the difference in the Town Duty Refund Rules by rail and sea was referred would be glad to hear the representatives of the Chamber representing (1) exporters by sea and (2) exporters by rail. The Committee of the Chamber were requested to nominate such representatives. The Committee nominated Mr. Manmohandas Ramji, President of the Chamber, and Mr. Jamnadas Dwarkadas, who discussed these rules with the Committee of the Corporation on 18th July, 1924. On the recommendation of that Committee, the Town Duty Refund Rules by rail have been brought into line with those applying to export by sea.

45. Suggestion to raise the import duty on imitation gold and silver threads and lametta :—

Mr. B. J. G. Shastri of the Gauri Gold and Silver Works Company of Surat forwarded to the Chamber for support a copy of his letter on behalf of the Tarkash Mandal to the Government of India, Department of Commerce, requesting them to raise the import duty on imitation gold and silver threads and lametta to 30 percent in order to secure administrative facilities, to prevent the present possibility of smuggling of the real article at 15 percent and also to encourage the manufacture of imitation goods. The Committee accordingly requested the Government of India, Department of Commerce, to raise the import duty on these articles for the above reasons.

46. Proposed reduction of the rate of stamp duty leviable on Workmen's Compensation Insurance Policies :—

A letter was received from the Government of Bombay, Revenue Department, dated the 10th May, 1924, enclosing copy of a letter from the Government of India, Central Revenues, dated 22nd April 1924 and of its accompaniments on the subject noted above and requesting the Committee to express their views thereon. In this connection the Bengal Chamber of Commerce had addressed the Government of Bengal supporting the proposals put forward by the Calcutta Workmen's Compensation Insurance Association who suggested a stamp duty of 8 annas in respect of original policies and 4 annas in respect of a renewal of an original policy. They also suggested that receipts for compensation paid to workers and agreements or lodgements with Commissioners under the Workmen's Compensation Act should be exempted from stamp duty. In the opinion of the Government of India, however, the above suggestions were not altogether suitable for adoption. The Committee in reply expressed themselves in favour of the suggestions put forward in the letter of the Bengal Chamber of Commerce.

47. Notifications issued by the Post Office regarding the stamping of printed invitation cards and extra charge for refused or returned Post parcels :—

The attention of the Committee having been drawn to the notifications (1) to treat all printed invitation cards and letters

enclosed in open envelopes as ordinary letters to be stamped fully i. e. one anna and (2) to levy an extra half of the full rate on refused or returned post parcels for return journey, a letter was addressed to the Postmaster General, Bombay, requesting him to let the Committee know the reasons which led the Post Office to issue them. In reply the Postmaster General, Bombay, informed the Committee that the orders in question dated as far back as the year 1917 when it was decided that printed invitations being in the nature of personal communications could not be allowed to pass at book rate. But as there appeared to be some uncertainty as to the correctness of the order issued in 1917 the matter had been referred to higher authorities. In the meantime he had issued instructions that for the present printed invitations enclosed in open envelopes would not be taxed at letter rates. With regard to the second notification, it was stated a further communication would be sent. The Committee thereupon requested the Postmaster General to let them have an opportunity of expressing their views in case any new orders were issued.

A copy of the notification, issued by the Director General of Posts and Telegraphs regarding extra charge on re-directed parcels was afterwards received from the Post Master General, Bombay. In this connection the Committee addressed the Government of India strongly protesting against the levy of additional charge on re-directed parcels and requesting them to be pleased to cancel their notification regarding the same. In reply the Committee were informed that the levy of a re-direction fee on parcels was made by the British Post Office and several other Offices of the Postal Union and in view of the large amount of additional work involved in the re-direction of parcels the Government of India considered the levy of a fee to be fully justified. The Committee have forwarded a copy of this reply to their representative on the Indian Legislative Assembly with a request to do the needful in the matter.

48. Excise Duty on Cloth manufactured in India:—

The Millowners' Association, Bombay, forwarded a copy of their representation to the Government of India, Department of Com-

merce, urging the removal of the Excise duty on cloth manufactured in Indian mills and a reduction in the import duty on mill stores. The Committee were requested to support their representation. The Committee sent a telegram to the Government of India, Department of Commerce, supporting the abolition of the Excise duty. The Committee also stated that the abolition of this duty would show the changed attitude of Government towards Indian industries.

49. Tariff Valuations of Hides & Skins for the year 1925:—

The Director General of Commercial Intelligence, Calcutta, invited the opinion of the Chamber on the proposed Tariff Valuations of Hides and Skins for the year 1925 for the purpose of export duties. The Committee after consulting the trade suggested certain changes in the proposed rates.

50. Annual Revision of Tariff Valuations:—

The Committee of the Chamber had an interview with Mr. C. G. Freke, Director General of Commercial Intelligence, Calcutta, on 25th November 1924 to discuss the Annual Revision of Tariff Valuations. Mr. A. M. Green, Collector of Customs, Bombay, was also present.

(E) PUBLIC ENQUIRY COMMITTEE & COMMISSIONS.

51. Indian Bar Committee:—

The Government of Bombay, Home Department, having forwarded a copy of the questionnaire issued by the Indian Bar Committee, the Committee forwarded their written statement, stating that the Chamber as a commercial body was concerned mainly with questions relating to the reduction of costs in commercial litigation. The Committee therefore suggested that the present dual system of advocates and attorneys should not be continued and there should be only one grade of advocates.

52. Civil Justice Committee:—

A letter was received from the Government of Bombay, Home Department, enclosing a copy of the questionnaire of the above

Committee and requesting the Chamber to send the replies direct to the Secretary of that Committee. In reply the Committee stated that as the questionnaire of the Committee was mainly of a technical character they were not in a position to give replies to all these technical questions. They, however, emphasised that the cost of litigation in India was exhorbitant and should be considerably reduced. The Committee therefore urged upon the Civil Justice Committee to seriously consider the feasibility of rendering justice cheaper and speedier than what it was at present.

53. Medical Relief Committee :—

A letter was received from the Secretary, Medical Relief Committee, Bombay, inviting the opinion of the Chamber on certain points relating to accommodation in hospitals, location of hospitals, the administration of Bombay hospitals and the method of financing the same. The Committee in reply expressed themselves in favour of an increase in hospital accommodation. They suggested that the proportion of accommodation for Europeans and Indians should be re-adjusted as fairly as possible. The Committee could not suggest any other method for raising funds beyond the usual one of appealing to the charitable people to contribute to such benevolent projects. They were opposed to any cess or tax for this purpose.

54. Bombay University Reform Committee :—

A letter was received from the Secretary, University Reform Committee, enclosing the questionnaire of that Committee and inviting the views of the Chamber thereon. The Committee in reply recommended that: (1) The Bombay University courses needed to be very considerably amplified in subjects relating to the administration of the country. (2) As regards the question of promoting cordial relations and hearty co-operation between the University and other public bodies, the first requisite was to bring about representation on the governing body of the University of various corporations concerned. (3) The University could only as a teaching University take its natural and legitimate place in public life by providing for educational needs of the commercial and industrial community and non-

collegiate adults and the education of the masses. (4) For non-collegiate adults, the University might institute special extension classes or deliver lectures in those special subjects which relate to their profession or occupation in life. The Honourable Mr. Lallubhai Samaldas, C. I. E., give oral evidence before the Committee on behalf of the Chamber on 24th November 1924.

55. The Tariff Board :—

(*a*) *Protection of the Indian Cement Industry :—*

Early in February last, the Committee addressed a letter to the Government of India, Department of Commerce, drawing their attention to the representation made by several Cement Companies in India to the Tariff Board for the protection of the Cement Industry. The Committee emphasised specially the inequality between rail and sea freights, which gave an undue advantage to foreign cement manufacturers in their competition with indigenous concerns at ports, quoting comparative rates. The Committee requested the Government of India to take such steps including reference to the Tariff Board as may be necessary to give help to this important industry. In reply, the Government of India stated that they were considering what subjects should be remitted to the Tariff Board for examination on the conclusion of their enquiries into the steel and other derivative industries.

After the case of the Cement Industry was referred to the Tariff Board a letter was received from the Tariff Board saying that if the Chamber desired to supplement their previous communication by any further expression of their views on the claims put forward by the Cement Companies for protection the Board would be glad to receive it. They also hoped that the Chamber would depute a representative to give oral evidence. In reply the Committee stated that they did not desire to supplement their previous communication which conveyed their views fully and for the same reason they did not wish to depute a representative to give oral evidence.

(*b*) *Delay in the work of the Tariff Board* :—

In reply to Government's letter received in reply to the Committee's representation regarding the grant of protection to the Indian Cement Industry the Committee stated that if the Tariff Board had taken nearly a whole year to investigate into the need for protection to only one industry they wondered how many years it would take to investigate into the need for protection to the many other industries and pointed out that such delays would be fatal to the very object of these investigations. The Committee therefore urged that the investigations by the Tariff Board should be carried on more expeditiously. In reply the Government of India, Department of Commerce, dissociated themselves entirely from the views expressed in the Committee's letter. It was pointed out that the investigation into the claim of the steel industry to protection involved grave issues. In conclusion it was stated that following the procedure laid down in the resolution of the Government of India, No. 3748, dated 10th July 1923 additional subjects would shortly be remitted to the Tariff Board for enquiries.

In reply the Committee regretted that the reply sought only to justify the question of time taken by the Tariff Board in submitting their report on the Steel Protection, which formed only one part of the Committee's previous letter. They fully appreciated the necessity of an exhaustive inquiry into any subject taken up by the Tariff Board but pointed out that the protest of the Committee was more against the system followed than against the particular case of the consideration of protection to the Steel industry. They urged on the Government of India action on the lines of the Act creating the Tariff Commission in the United States. The Committee desired to know if it would not be feasible to locate the Tariff Board permanently at a centre like Delhi or Simla and ask the various persons interested in certain industries which might be under the consideration of the Tariff Board to go to the headquarters to place their views before them.

In reply the Government of India stated that the only instructions given to the Tariff Board were contained in Resolution

No. 3748, dated 10th July 1923, which left the fullest freedom and discretion to the Board to conduct their enquiries in such manner as they deemed best in any particular case. The Board had not been hampered by being asked to conform to any rigid system and the Government of India were not prepared so to hamper them. The Government shared with the Committee's desire that enquiries into these important questions should be both expeditious and exhaustive. The Government were of opinion that the aims in view could best be realised by leaving the Tariff Board the completest freedom of action.

(c) *Proposed protection of Cement, Paper, Printers' Ink, Boots & Shoes, & Magnesium Chloride industries :—*

The Government of India having decided to refer to the Tariff Board for examination applications for protection received from the above mentioned industries, the Government of Bombay, Revenue Depart ment, forwarded a copy of their resolution with regard to the above. It was resolved to draw the attention of the members of the Chamber to this matter by a circular.

(d) *Committee's views on the Report of the Tariff Board regarding the grant of protection to Steel Industry :—*

The Committee addressed a letter to the Government of India, Department of Commerce, on the 17th May 1924 on the above Report pointing out that unless a reasonable price was secured to indigenous manufactures the industry would never be able to stand and in fixing this reasonable price no extraneous considerations should be allowed any importance. They suggested that executive action should not be delayed in the matter and that immediate action should be taken whenever there was a fluctuation of 5 percent at the most from the basic price. All protective measures would not be fully operative unless Government adopted the principle of practical protection by purchasing for all their requirements only Indian manufactures, the production of which at present was in excess of Government requirements. Lastly the Committee recommended that the policy of protection should be accepted by the Government until the country was able to produce at least a substantial portion of

its requirements of that article and that there should be no change or revision in this. Though the policy itself could not be changed there should be an examination every three years into the working of the policy with a view to revise the details, if necessary.

56. Indian Taxation Enquiry Committee:—

After the appointment of the Taxation Enquiry Committee was announced, the Committee addressed the Government of India, Finance Department, strongly protesting against the terms of reference, scope and personnel of the Taxation Committee. They contended that a thorough enquiry into the economic conditions of the people of India should precede and not follow the present enquiry contemplated by Government. They were of opinion that the labours of the Taxation Committee were likely to result in no tangible benefit to the Indian people.

In the first week of December a letter was received from the Finance Department, Government of Bombay, enclosing copy of a letter from the Secretary, Taxation Enquiry Committee. The Committee were requested to supply the Taxation Committee with any available materials relevant to the enquiry which may be in the possession of the Chamber. In reply the Committee stated that they had not at their disposal such materials as required by the Taxation Committee.

57. Report of the Committee on Weights and Measures :—

A letter was received from the Government of Bombay, General Department, forwarding a copy of the report of the Committee on Weights and Measures and inviting the views of the Chamber on the recommendations of that Committee. At the instance of the Bombay Chamber of Commerce, a Conference of several commercial bodies in Bombay was held to consider the recommendations of the above Committee. The Conference after carefully considering the report came to the following conclusions which were forwarded to the Government :—

(1) While it would not be practicable to try to standardise a maund of 40 seers, a standard seer of 7,000 grains or the equivalent of the English pound (lb.), however could conveniently be adopted.

(2) The larger weights need not necessarily be the same or be called by the same name in all districts.

(3) Compulsory legislation would ultimately be required to give effect to the above recommendations but the provisions of the Act should only be applied to a particular district in consultation with the representative trading and other local bodies.

58. Report of the Indian Mercantile Marine Committee:—

The Committee forwarded their views on the recommendations of the Marine Committee to the Government of India, Department of Commerce. The Committee while welcoming the various recommendations made by the Marine Committee pointed out two very serious omissions *viz.* lack of any reference to the internal river navigation and the foreign ocean trade. They also welcomed the decision of the Marine Committee for providing training facilities at Indian ports and suggested that Government would have to remain prepared for providing another training ship at Calcutta in case arrangements intended for Bombay did not prove adequate. They approved of the recommendation of the Marine Committee regarding the reservation of Coasting trade of the country for Indian ships. They were however of opinion that the other suggestion of the Marine Committee regarding the purchase of a line of steamships by the Government should be immediately put into effect. They suggested that Government should not purchase one whole line of steamships but 25 ships from the existing lines of steamships plying on the coastal trade and of an age not exceeding 10 years. The Government were to purchase steamers and hand them over for management or sell them to Indian syndicates. They did not think it desirable that Government should themselves manage any such line of steamships. In conclusion the Committee regretted that

though both the Lee Commission's report and the report of the Mercantile Marine Committee were published almost at the same time recommendations of the former were already put into effect, while the Government of India had not yet even submitted their despatch to the Secretary of State for India on the report of the Marine Committee.

59. The Indian Coal Committee :—

The questionnaire of the Indian Coal Committee was received from the Secretary of that Committee and the Committee were requested to send their replies thereto. The Committee in reply stated that rates of freight for transportation from mines to Calcutta were very high and must be reduced and steps must also be taken to get the sea-freight for coal reduced. They opposed the continuance of the Coal Transportation Officer. They were also of opinion that no dumping arrangements should be encouraged at all. It was the opinion of the Committee that the competition of foreign coal with Indian coal could be met by reduction in handling charges, reduction in railway freight from mines to port and obtaining cheaper freight. They were in favour of grading of coal and suggested that grading should be undertaken by a Board of Experts appointed by Government on which Indians should be adequately represented. They were not in favour of pooling of coal.

Mr. C. B. Nanavati was appointed to give oral evidence on behalf of the Chamber.

(F) TRADE AND INDUSTRIAL LEGISLATION.

60. Bill for the prevention of adulteration of food, etc :—

A letter was received from the Ghee Merchants' Association, Bombay, enclosing a copy of their letter to the President and Members of the Bombay Municipal Corporation regarding the above. It was suggested among other things that the word "Ghee" as defined in the Act should not be allowed to be applied to any other product similar to Ghee but which was not ghee as far as the definition went. The Committee were requested to support their suggestions. After

careful consideration the Committee informed the Association that they could not see their way to support their suggestions.

61. Bill further to amend the Small Cause Courts Act, 1882, in its application to the Presidency of Bombay :—

A letter was received from the Government of Bombay, Home Department, forwarding a copy of the above mentioned draft Bill and inviting the opinion of the Chamber thereon. In reply the Committee stated that they had all along held the view that litigation in High Court was extremely costly and favoured any scheme which might tend to lower these costs. They accorded their hearty approval to the fundamental principle underlying the Bill, viz, the extension of the jurisdiction of the Presidency Small Cause Courts generally to Rs. 5,000. The Committee also suggested that there should be a reduction in the fees proposed to be levied and they proposed the following scale:

One anna and pies three upto Rs. 500; one anna from Rs. 500 to Rs. 3,000 and nine pies from Rs. 3,000 to Rs. 5,000.

62. Bye-laws of the East India Cotton Association :—

(*a*) A letter was received from the Government of Bombay, Revenue Department, enclosing a copy of the above bye-laws and requesting the Committee to inform Government whether they had any objection to these bye-laws being sanctioned and notified by the Government. The Committee in reply stated that they had no remarks to offer.

(*b*) *Addition of a new bye-law 55-A to the bye-laws of the East India Cotton Association* :—

A letter was received from the Government of Bombay, Revenue Department stating that Government proposed to sanction the addition of bye-law 55-A with regard to trading in new crop to the trading bye-laws of the East India Cotton Association. The Government enquired if the Chamber had any objection to this addition. In reply the Committee stated that they had no remarks to offer.

(c) *Amendment of bye-law 59 of the East India Cotton Association* :—

A letter was received from the Chief Secretary to the Government of Bombay, Revenue Department, stating that Government had accorded their approval to No. 59 of the by-laws of the East India Cotton Association being amended so as to give power to the Board with the approval of 75 p.c. of members present (subject to a minimum limit of 8 members present) to prohibit trading in one or more Hedge Contracts for sale or purchase of cotton at a higher or lower rate than that prescribed by the Board, and to prohibit with the approval of the representative Committee such trading altogether for a specified time.

The Committee having been invited to state whether they had any objection to that amendment replied that they approved of the proposed amendment provided the minimum limit of members present was raised from 8 to 10.

63. Form "E" of Schedule III of the Indian Companies Act, 1913 :—

A letter was received from the Registrar of Companies, Bombay, enquiring whether any practical difficulty had been experienced by the members of the Chamber in dealing with the last item of the above Form which ran as follows :—

"Total amount of debt due from the Company in respect of all mortgages and charges which are required to be registered with the Registrar under the Act."

It had been suggested to the Registrar that the item in question required elucidation. The Committee in reply stated that to their knowledge no difficulty had been experienced by the members of the Chamber.

64. Proposed amendment of the Indian Companies Act, 1913 :—

A letter was received from the Government of Bombay, Revenue Dept., enclosing copies of letters from Mr. S.N. Pochkhana-

walla, the Managing Director of the Central Bank of India together with the substance of the comments thereupon by the Registrar of Joint Stock Companies. The Committee were requested to send their remarks on the proposals put forward by Mr. Pochkhanawalla. Mr. Pochkhanawalla's letters referred to the immense harm done to the joint-stock companies generally and banking institutions particularly by interested parties levelling reckless and unfounded charges against those concerns and even dragging them into Courts on the most frivolous pretexts. In order to put a stop to such undesirable practices, Mr. Pochkhanawalla suggested (1) to inflict penalty on such mischiefmakers. (2) that nobody should be allowed to institute legal proceedings against a company without the consent of the Advocate General or Solicitor to Government. (3) Legislation making it possible for the majority of shareholders of a company to remove an obnoxious shareholder from among their fold. The Committee after careful consideration were not able to approve of the suggestions put forward by Mr. Pochkhanawalla. They replied to the Government of Bombay, Revenue Department, that the object in view could be served by requiring the complainant to obtain a certificate from the Advocate General to the effect that there was a *prima facie* case before the complainant could institute proceedings against a company. They were of opinion that if this suggestion were adopted there would be no necessity of taking any further action with regard to the proposals put forward by Mr. Pochkhanawalla.

65. Insertion of a new Section 13-A in the Imperial Bank of India Act, 1920:—

A letter was received from the Government of Bombay, Finance Department, forwarding a copy of a Bill further to amend the Imperial Bank of India Act, 1920, with a statement of objects and reasons and requesting the Chamber to send its views thereon. This Bill proposed to insert a new section 13-A in the Imperial Bank of India Act, 1920, which provided that for the purpose of averting or facilitating the winding up of any Banking concern the Imperial Bank may assist such concern by making advances to it or to its

liquidators upon the security of its assets. The Committee in reply welcomed the proposed amendment with certain reservations.

66. Re-arrangement of the Negotiable Instruments Act on the lines of the English Bills of Exchange Act, 1882 :—

A letter was received from the Government of Bombay, Home Department, enclosing a copy of Government resolution dated the 25th July, 1924 and copies of letters from the Government of India, Commerce Department to the Government of Bombay and from the Statute Law Revision Committee to the Government of India, Legislative Department, on the above subject. The Statute Law Revision Committee in their letter suggested that the Indian law relating to Negotiable Instruments should be re-arranged on the general plan of the Bills of Exchange Act.

At the instance of the Government of India, the Government of Bombay requested the Chamber to submit their views on the above proposal. The Committee approved of the proposed re-arrangement of the Negotiable Instruments Act on the lines of the English Bills of Exchange Act.

67. Rules under the Workmen's Compensation Act :—

A copy of Government resolution No. 4486, dated 31st March, 1924 and accompaniments regarding the draft rules under the above Act were received from the Government of Bombay, General Department, for Committee's opinion. The Committee in reply stated that they had no views to offer.

68. Statistics Bill for the Bombay Presidency :—

The opinion of the Chamber was invited on the above Bill by the Director, Labour Office, Bombay. The Committee thought that the Bill was of an All-India nature and the right place for its being moved and passed was the Indian Legislative Assembly and not any Provincial Councils. With regard to the different clauses of the Bill, the Committee suggested various alterations and further suggested that an Advisory Board consisting of representatives of principal

commercial bodies should be established to advise the Director of Labour with regard to all questions arising out of the operation of the Bill, when it became law.

69. Trade Union Legislation :—

A letter was received from the Director, Labour Office, Bombay, enclosing a copy of a letter from the Government of India, Department of Industries and Labour, on the subject of Trade Union Legislation on which the views of the Chamber were invited. The Committee in reply welcomed legislation aiming at organisation and recognition of Trade Unions but suggested that registration of Trade Unions must be compulsory. They were also of opinion that political activities not being immediately connected with Trade Unionism should be considered outside the scope of Trade Unions. They also suggested certain alterations in the different clauses of the Bill.

70. Trade Disputes Bill :—

The opinion of the Chamber having been invited on the above Bill by the Director, Labour Office, Bombay, the Committee regretted that the Bill proposed to include not only industries but also business of all varieties and protested against bringing trade and business under the operation of what may be called labour legislation. The Committee did not approve of the initiative being taken by Government in referring disputes even for settlement to the Board of Investigation and Conciliation and suggested that Government should have the power to step in only in case of a general strike. They also suggested that both the parties should apply for conciliation, while an enquiry could be undertaken at the request of either party. With regard to the constitution of the Board, the Committee suggested that each panel should consist of 12 people. While recognising the principle of election the Committee could not support it in this instance on account of the absence of representative organisations of labour. The Committee agreed that there should be some difference in procedure provided for public utility companies and other industrial concerns in the matter of disputes between employers and employees.

71. Insurance Legislation for India :—

The attention of the Committee having been drawn to questions put by Sir Purshotamdas Thakurdas, Chamber's representative on the Indian Legislative Assembly on 10th September, 1924, they addressed the Government of India, Department of Commerce, on 23rd October 1924, requesting to be informed if the Government were in a position to let them know definitely when they expected to introduce a Bill on the subject. In reply the Committee were informed that a Departmental Committee had recently been appointed by the Board of Trade to enquire and report what amendments were desirable in the English Assurance Companies Act of 1909 and the Government of India considered it advisable to have before them the report of that Committee before proceeding with their own Bill. The Committee appointed by the Board of Trade were expected to submit their report by March 1925.

72. Indian Cotton Ginning and Pressing Factories Bill :—

The opinion of the Chamber was invited on the above Bill by the Government of Bombay, General Department. The Committee approved of the Bill and suggested that when the time came for the framing of rules by the Local Government all the commercial bodies should be consulted.

73. Maternity Benefit Bill :—

A letter was received from the Government of Bombay, General Department, forwarding a copy of the above Bill introduced by Mr. N. M. Joshi in the Legislative Assembly on the 23rd September 1924 and inviting the opinion of the Chamber thereon. In reply the Committee pointed out that not a single country which was a member of the International Labour Conference had as yet got any such legislation. There was therefore no reason why India should be called upon to undertake such a legislation. The Committee also could not understand why it was sought to bring under the influence of the Bill only industries and not agriculture, building trade and

other occupations wherein women were employed. The Committee were thus opposed to undertaking any legislation on the lines proposed in the Bill but if the Legislature considered that it was essential to have such legislation, they emphasised that any expenditure on this score should not be realised in the form of a cess on industries only but it should be paid from the revenues of the State.

(G) GENERAL TRADE & INDUSTRY.

74. Department of Industries of the Bombay Government :—

A letter was addressed to the Government of Bombay, General Department, on 30th April 1924 stating that the attention of the Committee had been drawn by their representative on the Advisory Committee of the Director of Industries to a resolution passed by it opposing the abolition of the Department of Industries. The Committee had not been satisfied with the work of the Department and yet they could not approve of its wholesale abolition. It might well be carried on on what grant had been sanctioned by the Legislative Council. The Committee therefore accorded their support to the resolution passed by the Advisory Committee and hoped that Government would be pleased to continue the Department though on a reduced scale with an Indian at its head.

In reply the Government of Bombay, General Department, forwarded for the information of the Committee a copy of the Government resolution No. 4637, dated the 17th June 1924 with regard to retrenchment in the Department of Industries. The Committee again addressed the Government of Bombay stating that the arrangement which the Government had made under the resolution was not at all satisfactory and not calculated to be of any use or help to the industries of a province regarded as the most industrial of all the provinces of India. In conclusion the Committee hoped that the Department would be reinstated as early as possible in view of the fact that the interests of industries were otherwise likely to suffer.

In reply the Committee were informed that the Department was partially abolished as a measure of retrenchment and that

Government had under consideration the question of re-organising the same.

75. Establishment of Railway industries in India :—

At the instance of a member of the Committee a letter was addressed to the Government of India, Department of Commerce, Simla, requesting them to furnish the Committee with definite information in regard to the attitude of the Government towards railway industries in this country and for a clear expression of Government's policy in this direction. They stated that it had been pointed out to them that there had been a very serious departure from the original declaration of the Government that they would be in the market for 160 locomotives every year in the initial period and 400 locomotives thereafter. The Committee were further informed that the bulk of locomotives for which tenders had been called for this year were for the East India Railway Company and the decision on the tenders received including those from the Indian manufacturers would be arrived at not by the Government of India but by the Board of the East India Railway. If this was so, the Committee desired to know whether the expenditure towards these locomotives was to be incurred under the grants for capital expenditure for railways sanctioned this year by the Assembly. They also wanted it to be made clear whether the capital expenditure for railways was or was not governed by the various declarations of policy made by the Government from time to time, and if it was so governed, how the Government expected to secure this result by leaving the decision in the hands of the Board of the East India Railway. The Committee felt very apprehensive with regard to the proposal for separation of railway finance if the definite purpose of public policy could be defeated by departmental action of this character and if the views of the Indian commercial community which had been repeatedly expressed and which had secured acceptance of Government could be got round in actual practice.

The above letter was transferred to the Railway Board for disposal. The Railway Board in reply stated that the report of the Indian Tariff Board, which had been published since the Committee's

letter was written, gave a clear account of the difficulties which railway industries in this country were likely to encounter and the Committee were now also aware of the Government of India's proposals for meeting them. In addition the Government had issued revised Stores Purchase rules, the effect of which should be increased purchase of articles of Indian manufacture by Government Departments. It was only therefore with regard to the locomotive industry, for assistance to which the Indian Tariff Board found themselves unable to make any recommendation, that the Committee appeared to require further information as to the attitude and intentions of Government. In the first place it was explained that the communique of 1st October 1921 gave no formal undertaking that the Government of India would be in the market for 160 locomotives in each of the years 1923 and 1924 and for 400 locomotives thereafter. These figures were the estimate at the time of locomotives likely to be required. The undertaking was only that tenders would be invited in India for actual requirements. Since 1921, however, as a result of action taken on the reports of Acworth and Inchcape Committees and of steps taken independently by the Railway Board to secure the economical working of railways the position had entirely changed. The cumulative effect of various measures taken must be that a longer time would elapse before additions to the existing stock of locomotives were justified by an increase in traffic. In these circumstances there was no likelihood that the figure of 400 locomotives estimated in October 1921 as the annual requirements after 1924 of State-worked railways would be approached. The Government of India had every intention of continuing their efforts to secure economies and they were sure that in this policy they had the support of the Indian Merchants' Chamber. The Committee would realise that as a result the number of locomotives likely to be ordered annually for any period that could now be considered must be insufficient to enable the locomotive industry to be established in India and the Government consequently accepted the conclusions at which the Indian Tariff Board had arrived that since the indispensable preliminary condition of sufficient market for locomotives in India could not at present be satisfied, no present steps could be taken to assist the locomotive industry. Finally the Government of India

found it difficult to understand why the fact that the Home Boards of company-managed railways were entitled under existing conditions to place orders for stores for their railways should make the Committee feel very apprehensive with regard to the proposal for separation of railway finance from the general finances.

In reply, after refuting the various arguments put forward in the Government letter, the Committee stated that the matter called for a serious re-examination and they were confident that the Government would not avoid such re-examination.

76. Protection of the Spirit Industry in the Bombay Presidency :—

A letter was received from the Alembic Chemical Works Company of Baroda, enclosing a copy of their letter to the Government of Bombay on the above subject with a request to support their representation. The Committee accordingly addressed the Government of Bombay, Revenue (Transferred) Department, suggesting that following the procedure adopted by the Government of Bengal the process of compounding and blending of Brandy, Whisky, Gin and Rum in the Bombay Presidency should be regulated by not allowing spirit used in such processes except the following: British spirit, Spirits manufactured in the Bombay Presidency and Indian States within its geographical limits, Scotch Whisky, and French Brandy. Secondly, the duty on the Spirit contents of the 'foreign liquor' manufactured in the Bombay Presidency should be lowered to Rs. 17-8-0 per proof gallon as had already been done by the Government of Madras.

77. Establishment of Swedish match factories in India :—

The attention of the Committee having been drawn to certain telegrams appearing in the daily Press on the above subject, they addressed the Government of India, Department of Commerce, requesting them to supply the Committee with full information with regard to these factories. In reply the Committee were informed that Government had no information other than that contained

in the telegrams. No concessions so far as the Government of India were aware had either been applied for or given. In reply the Committee suggested that if Government of India were contemplating giving any concessions to the manufacturers of matches such concessions should be given only to Indian companies or Indians. Copies of the above correspondence were also forwarded to the Provincial Governments for information.

78. Difficulties of the Match Factories in the Bombay Presidency in obtaining wood :—

A letter was received from the Swadeshi Match Manufacturing Co., Ltd., a member of the Chamber, drawing the attention of the Committee to the difficulties they experienced in getting supply of suitable timber for matches in the Bombay Presidency. The Committee thereupon addressed the Government of Bombay, Department of Forests and Excise, drawing their attention to the above and requesting them to make enquiries in the complaints made by the Company and find out if anything could be done to remove these complaints and to provide the indigenous match manufacturing concerns in the Presidency with suitable wood.

79. Smuggling in Sachharine :—

A letter was received from a member of the Chamber drawing the attention of the Committee to the fact that smuggling was going on on a very large scale in Sachharine since the duty was raised last year and requesting the Committee to do the needful in the matter. The Committee drew the attention of the Government of India, Central Board of Revenues, to the above, requesting them to take necessary action in the matter. In reply the attention of the Committee was drawn to the Government Notification No. 661, dated 8th March 1924 prohibiting the export of Cigarettes, matches and sachharine from Burma and Notification No. 2145, dated 4th June 1924 prohibiting the import of Sachharine by land into British India from foreign European settlements. The Government of India hoped that the measures taken by them would tend to reduce the

illicit traffic in Sachharine and requested the Committee to furnish them with any information that might come to their notice.

80. Proposed stamping of gold threads:—

A letter was received from the Collector of Customs, Bombay, stating that there was very extensive smuggling of real gold thread across the French frontiers at Pondicherry and Karaikal. In order to counter this illicit trade every marc of gold thread licitly imported into the Madras Presidency by sea or by land was stamped with the Customs stamp and initialled; and as this had proved to be a valuable preventive measure he had been asked by the Collector of Customs, Madras, if he would follow the same procedure at Bombay. The procedure would not apply to imitation gold threads. The opinion of the Chamber was invited thereon. The Committee could not approve of the proposed procedure as it was feared by the trade that such a procedure would increase thefts and also cause some damage to the goods. The Committee were later on informed by the Collector of Customs, Bombay, that he was pointing out to the Collector of Customs, Madras, certain difficulties in stamping marcs of gold thread imported into Bombay and would not proceed with the scheme for the present.

81. Difficulties experienced by Importing Firms in importing Japanese Undershirts:—

A letter was received from some importing firms drawing the attention of the Committee to the fact that considerable difficulties had been raised recently by the Customs authorities with regard to consignments of undershirts which had reached the Port of Bombay. It was stated that these shipments consisted of cheap undershirts mostly manufactured in small cottage factories and it was not possible to expect absolute accuracy as regards their size and finish. The Customs authorities, it was alleged, demanded exact sizes as printed on each and every undershirt. The undershirts were imported in our market for the last several years and the abruptly strict attitude of the Customs authorities without any previous warning had considerably made the position of importers very

awkward. The importing firms had despatched cables to shippers to see before shipment that the sizes mentioned were as per actual measurements. They therefore requested the Committee to move the Customs authorities not to impose any penalties over goods shipped on or before 1st January 1925. They also requested the Committee to help them in getting refunds of fines already levied. The Committee forwarded a copy of this letter to the Collector of Customs, Bombay, for his remarks. The matter is yet under correspondence.

82. "Real Value" Declarations of Tariffed and Specific Duty Goods:—

A letter was received from the Collector of Customs, Bombay, drawing the attention of the Committee to the fact that very often when goods were assessable on tariff valuations or at specific rate of duties very little care was taken by importers in declaring the real value of the goods. It was stated that though in such cases there was no duty in question it was none the less a legal obligation on importers to declare the "real value" of the goods carefully and accurately. He requested the Committee to bring this prominently to the notice of the members of the Chamber. The Committee accordingly issued a circular drawing the attention of the members of the Chamber to the above.

83. Revision of the list of articles specified in the Sea-Borne Trade Returns of British India :—

The Director General of Commercial Intelligence, India, invited the opinion of the Chamber on the above subject. The Committee approved of the suggested alterations.

In this connection a letter was received late in November from the Director General of Commercial Intelligence stating that the revision of the list was under consideration and he would be glad to receive the suggestions of the Chamber. The Committee had no suggestions to make.

84. Rebate of Railway freight on Coal consumed by Industries in India:—

A letter was addressed to the Government of India, Department of Commerce, suggesting that rebate in railway freight not exceeding the amount that was given to coal exported from Calcutta, that is Re. 1-4, should be given to coal sent by rail to stations inland also. It was hoped that this suggestion would be accepted in the interests of both the local industries and the industries in general.

(H). INTERVIEWS WITH GOVERNMENT OFFICIALS.

85. Committee's Interview with the Honourable the Finance Member, Government of India :—

The Committee had an interview with the Hon'ble Sir Basil Blackett, Finance Member of the Government of India, on 7th July 1924. Mr. A. V. V. Aiyar, the Controller of Currency and Mr. J. C. Nixon, the Deputy Controller of Currency were also present. The questions of Currency and Exchange, the financial stringency and the constitution of the Indian Taxation Committee were discussed at the interview.

86. Interview with Mr. G. L. Corbett, Secretary to the Government of India, Department of Commerce:—

The Committee had an informal interview with Mr. G. L. Corbett, Secretary to the Government of India, Department of Commerce, on 24th October 1924 when the question of the proposed transfer of administration of Ports and Shipping to the Government of India and the report of the Indian Mercantile Marine Committee were discussed.

87. Interview with the Director General of Commercial Intelligence: —

(Vide Item No. 50)

88. Interview with the Honourable Sir B. N. Sarma, Member in Charge, Department of Education, Health and Lands, Government of India :—

The Committee of the Chamber had an informal meeting with the Hon'ble Sir B. N. Sarma, Member in Charge, Department of Education, Health and Lands, Government of India, on 29th November 1924, when the question of the position of Indians in the Colonies was discussed.

(I) GENERAL.

89. Chamber's representative on the Advisory Committee of the Director of Industries, Bombay :—

Mr. Lalji Naranji having completed his term of office of three years as per Committee's resolution of 12-9-1922 as Chamber's representative on the above Committee Mr. Manmohandas Ramji was appointed in his place.

90. Chamber's representative on the Advisory Committee of the Development Department :—

A letter was received from the Government of Bombay, Development Department, requesting the Committee to elect a fresh representative on the Advisory Committee to be reconstituted for a further period of three years for Bombay City. The Committee nominated Mr. Manmohandas Ramji, President of the Chamber, as the Chamber's representative.

Mr. Manmohandas Ramji having resigned his seat on the above on 4th November 1924, Mr. Manu Subedar was appointed in his place.

91. Chembur Garden Suburb :—

A letter was received from the Land Manager, Development Directorate, enclosing pamphlets relating to the Chembur Garden Suburb for distribution amongst the members of the Chamber. Subsequently he suggested giving a lecture to the members of the Chamber on the

above subject. In reply the Committee stated that as a large number of members of the Chamber were not conversant with English it would be better for his purpose to issue to all the members of the Chamber a pamphlet in Gujarati similar to the one he had already issued in English rather than deliver a lecture before them. In reply the Committee were informed that the cost of a special booklet in Gujarati would be prohibitive.

92. Inspection of the Works of the Backbay Reclamation :—

A letter was received from the Director of Development, Bombay, stating that he would be pleased to afford facilities to any members of the Chamber who may so desire to inspect the works of the Backbay Reclamation and suggested Monday, the 28th April as the suitable date. It was added that the seating capacity of the train was about 96. In reply the Committee thanked the Director of Development and about 90 members took advantage of this offer.

93. Facilities for Indian Merchants in Belgium :—

A letter was received from the Consul for Belgium, Bombay, stating that the Office Commercial de L'Etat, 15, Rue des Augustins, Brussels, would give certain facilities to merchants visiting Belgium. He added that he would always be pleased to assist the members of the Chamber or any person directly recommended by the Chamber. The Committee thanked the Consul for his kind courtesy and this information was circulated among the members of the Chamber.

94. Non-inclusion of Messrs. the Universal Fire & General Insurance Co., Ltd., in the approved list of Fire Insurance Companies of the Bombay Improvement Trust :—

A letter was received from the above Company enclosing correspondence they had with the Bombay Improvement Trust on the above subject and requested the Chamber to take necessary action in the matter. The Committee addressed the Bombay Improvement Trust saying that it was against their accepted policy to write

anything with regard to individual concerns unless some question of principle was involved and it was because such a question of principle was involved that they wrote to the Trust. The list of approved Insurance Companies showed that there were about 6 dozen companies which were considered good enough by the Trustees to be on the list which meant that practically all the companies doing business in Bombay were included. The Committee requested the Trustees to let them know if there had been any reasons which led to the exclusion of the above Company from the approved list and if there were no valid reasons they requested the Trustees to include their name in the approved list. In reply the Committee were informed that the Company in question was informed so recently as the 17th April 1924 that the matter was still under consideration. In this connection the Universal Fire and General Insurance Company pointed out that the reply was a stereotyped one such as they had been receiving ever since they opened negotiations in the matter, and requested the Committee to inquire when consideration was given by the Improvement Trust to applications for inclusion in the approved list. The Committee resolved to send a copy of the above letter to the Hon'ble Mr. Phiroze. C. Sethna, one of the Trustees of the Bombay Improvement Trust, for necessary action.

95. Reform of the Calendar:—

A letter was received from the Finance Department, Government of Bombay, enclosing copy of a letter from the Government of India, Legal Department, with regard to certain proposals on the above subject of the Advisory and Technical Committee for Communications and Transit of the League of Nations. The final result of the Committee's work may be summarised in the three following fundamental points:

(1) Adoption of a perpetual calendar, keeping 52 weeks plus one or two blank days.

(2) January 1st to take the place of the day at present occupied by December 22nd.

(3) The 364 days to be divided into four periods of 91 days each, *i.e.*, two months of 30 days and one of 31, without excluding an auxiliarly division into periods of 14 and of 28 days.

The Committee of the Chamber replied that they could not approve of the above proposals.

96. Appointment of Messrs. W. W. Howard Bros. of England as Agents for the sale of Imperial Forestry timber.

(Vide item No. 95 of the Chamber's Annual Report for 1923):—

In reply to the Committee's enquiry regarding the above, the Government of India, Department of Education, Health and Lands, informed them that the connection of the above firm with the Government of India was not of recent date. As early as 1915 they were entrusted with the sale in Great Britain on a commission basis of certain consignments of Government timber from the Andamans and gave satisfaction in the conduct of these transactions. The Committee in reply enquired what rate of commission was allowed to them for securing orders for Indian timbers.

97. Draft Convention on Arbitration Clauses prepared by the Committee of the League of Nations:—

A letter was received from the Government of Bombay enclosing a copy of the above Convention which it had been proposed should be open for signature by all States desirous of adhering thereto at the meeting of the Assembly in September 1924. The letter from the Government of India which accompanied the Draft Convention stated that in pursuance of its study of measures calculated to facilitate international trade the Economic Committee of the League had examined the question of wider recognition of arbitration clauses in commercial contracts between nationals of different countries. The Government of India therefore proposed to instruct their representatives to agree to this protocol being open for signature by States members of the League and were inclined to think it

would be desirable for India to adhere thereto. Before instructing their delegates to sign this protocol the Government of India desired that commercial opinion and the High Courts should be consulted on the subject. No provision, however, was made for the reciprocal enforcement of awards in different countries. It was recognised that this was a defect in the proposed convention but it was believed that in the vast majority of cases such awards were in fact obeyed without any intervention of executive compulsion. The Government of India inclined to the view that there was no objection to the law in British India being amended with a view to its being brought into harmony with the provisions of the Protocol but desired the views of the mercantile community thereon before doing so.

In reply the Committee stated that any proposal which aimed at the avoidance of litigation in commercial disputes would receive their strong support. As regards the particular proposal the Committee doubted if any arbitration clause in respect of which no provisions could be made for reciprocal enforcement of awards in different countries would in practice be of any use. They were of opinion that India should adhere to the protocol with the qualifications stated in the letter of the Government of India. They also favoured the amendment of law in British India to bring it into the line with the provisions of the protocol in so far as was indicated in the letter of the Government of India.

98. Kenya Immigration Rules :—

The attention of the Committee having been drawn to the draft Ordinance to consolidate and regulate immigration and unemployment issued by the Colony and Protectorate of Kenya, a letter was addressed to the Government of India, Department of Education, Health and Lands, strongly protesting against the proposed Ordinance. The Committee did not enter into details of the Ordinance as the whole of it, both in letter and spirit, was entirely opposed to the self-respect of Indians. The Committee hoped that the Government of India would be pleased to take immediate steps to get this iniquitous Ordinance rescinded. In reply the Committee were

informed that the Government of India were in communication with the Secretary of State for India on the subject.

99. Holiday to enable Banks in Bombay to make up their half-yearly accounts :—

A letter was received from the Government of Bombay, Finance Department, stating that in 1922 and 1923 on representations from an important section of business community in Bombay, Government declared 1st July and 2nd July respectively, as public holidays under the Negotiable Instruments Act in order to enable the Banks to make up their half-yearly accounts. It was understood however that feeling was not unanimous on the question and the number of banks making up their half-yearly accounts was extremely small. Before deciding therefore whether or not 1st July of this year should be declared a public holiday Government requested the Committee to express an opinion on the matter. The Committee in reply stated that they were not in favour of declaring such a holiday. They were later on informed that Government had decided not to declare a holiday for closing the half-yearly banking accounts this year and in future.

100. Germany and Reparations :—

A letter was received from the Consul General for Germany, Calcutta, saying that he had repeatedly seen informations pointing out that the German Government as well as private capitalists in Germany were evading payments of debts of the "Reich," specially those claimed by the Allies under the title "Reparations." Such information seemed likely to prejudice the credit of the German Reich and the morality of the German Nationalists and thus to exercise an unfavourable influence on the German credit with other countries. With a view to prevent such consequences he supplied the Chamber with a schedule showing the payments made by Germany under the Treaty of Peace upto 31st December 1922, accompanied by an essay by Prof. Brentano on the subject. It was resolved to circulate these papers among the members of the Committee, and

to publish the same in the Quarterly Journal. After the publication of this article, the Consul for France and the Consul for Belgium forwarded articles presenting the other side which were also published in the Journal.

101. Revision of Customs Officers' overtime and holiday fees :—

A letter was received from the Collector of Customs, Bombay, announcing the decisions which had been reached by the Government of India on the above subject. The Committee in reply stated that they had no objection to the proposed revision of fees.

102. Release of Mahatma Gandhi :—

At the instance of a member of the Committee after the operation on Mahatma Gandhi, a telegram was addressed on 19-1-24, to the Private Secretary to H. E. the Viceroy and the Private Secretary to H. E. the Governor of Bombay urging the release of Mahatma Gandhi as soon as he was out of the hands of his doctors.

103. Committee's Request to Mahatma Gandhi to give up his proposed fast for 21 days :—

On the 24th September 1924, the Committee sent a telegram to Mahatma Gandhi, Delhi, saying that in view of the fact that he was the greatest and most influential factor in the achievement of Hindu-Moslem unity for the sake of which he was offering this sacrifice, perhaps of life, and as his life was a most valuable national asset the Committee earnestly requested him to give up the proposed fast.

104. Employers' Delegate at the Sixth International Labour Conference :—

The Committee suggested to the Government of India, Department of Industries and Labour, the name of the Hon'ble Mr. P. C. Sethna for being nominated as the representative of employers at the Sixth International Labour Conference at Geneva.

105. Notice issued by the Superintendent-in-Charge, Central Telegraph Office, Bombay, regarding delivery of telegrams :—

The attention of the Committee was drawn to the above notice dated the 15th October 1923 stating that holders of abbreviated addresses should register standing delivery instructions. If no instructions were registered a single attempt would be made to deliver the telegram at the address given. The regulation would have effect from 1st February 1924. The Committee protested against the issue of this Notice stating that such a procedure would cause great hardship and inconvenience to the commercial community. In reply they were informed that the notification was not acted upto pending final orders from the Director General of Posts and Telegraphs to whom the subject had been referred for consideration.

106. Responsibility for goods landed in the Docks at night :—

A letter was received from the Bombay Port Trust stating that the question of accepting the responsibility by the Port Trust for goods landed in the Docks at night had been under discussion with the Bombay Chamber of Commerce and enclosing a copy of a letter addressed to the Bombay Chamber of Commerce fully explaining the Trustees' proposals in the matter. The Trustees were prepared to accept responsibility for cargoes discharged in the Docks at night under certain conditions. Full details regarding their proposals were enclosed with the letter and the Committee were requested to state their views on the subject. The Committee in reply stated that they approved of the Trustees' proposals.

107. Development of Radio Broadcasting in India :—

A letter was received from the Government of Bombay, Revenue Department, enclosing a copy of a letter that had been circulated by the Government of India on the above subject. The opinion of the Committee was invited upon the conclusions arrived at by Government.

In reply the Committee stated that they were strongly against granting monopoly of broadcasting to one company throughout India and emphasised the importance of giving licenses to different companies for particular areas. They suggested that such companies should be registered in India and must have Rupee capital and a majority of Indian Directors. The Committee were of opinion that there should be no restrictions on the imports of receivers and wireless accessories into India. They also urged that before companies were given licenses Government must receive guarantee that Indians would be given facilities for training and employment and only British subjects but no Colonials of Dominions should be employed in operating Broadcasting stations. They further suggested that the Committee appointed by the Government at the end of the last Simla Session to control the functions of companies seeking protection or concessions might also be asked to take into consideration the case of any Broadcasting companies which may be started. They finally added that if it was the desire of the Government that Indians should not be permitted to transmit political speeches through the broadcasting stations the Government also should not take advantage of broadcasting political messages for propaganda purposes. In the opinion of the Committee there should be no restrictions on matters to be broadcasted unless it affected matters relating to the Army and the Navy.

108. Informal Conference to discuss the question of effecting improvements in the secondary Commercial education in the Bombay Presidency :—

A letter was received from the Principal, Sydenham College of Commerce and Economics, Bombay, stating that the Government of Bombay had approved of the suggestion of the Director of Public Instruction, Poona, to hold a small informal conference at Bombay with the representatives of leading commercial bodies to discuss the question of effecting improvements in the Secondary Commercial Education in the Bombay Presidency and the Committee were requested to nominate a representative to attend the Conference.

Prof K. T. Shah was accordingly nominated by the Committee. The conference was held on the 26th September.

109. Alleged misappropriation of clients' deposit money by Share Brokers:—

The Committee forwarded a copy of a letter received from a member of the Committee on the above subject to the Native Share and Stock Brokers' Association and enquired if the Association had taken or proposed to take any steps in the matter. In reply the Committee were informed that at the Extraordinary General Meeting of the members of the Association held on 26th August 1924 a Committee was appointed for making suggestions in the matter referred to in the above letter. If, however, the Chamber proposed to make any suggestions in the matter, the Committee of the Association would be pleased to consider the same. It was further stated that it was not the custom of the Association to pay the purchase money after the lapse of several days as alleged. The Committee are awaiting the report of the Committee of the Association.

110. Moslem Holidays:—

A Mahomedan member of the Chamber forwarded to the Committee a short note regarding Moslem Holidays wherein he gave details regarding the various holidays and made certain suggestions. One of the suggestions was that the Government should not fix actual days for Ashura, Barawafat, Bakr-i-Id and Ramjan-Id holidays but merely announce them and fix them when ascertained. The Committee forwarded a copy of this note to the Government of Bombay saying that they approved of the above suggestion.

In reply the Government stated that they agreed as an experiment not to fix in advance the actual days of Barawafat, Ashura and Bakri-Id, but to notify them when they were ascertained by the Mahomedan Authorities.

111. Stamping of Bills :—

A letter was received from the Mauritius Shippers' Association stating that the National Bank of India, Ltd., had issued a circular to some members of the Association asking them to have all their bills stamped at the Stamp Office before submitting the same to the Bank for negotiation thus putting a stop to the practice of using adhesive bill stamps used upto now. It was pointed out that there was a good deal of delay in getting bills embossed at the Stamp Office. The Committee were therefore requested to take necessary action. The Secretary of the above Association and the Secretary of the Chamber had an interview with the Assistant Superintendent of Stamps who explained that there was no change made in the procedure of the Stamp Office. It was due to a misunderstanding only that the documents of members of the above Association were allowed to be stamped with stamps which should properly be used in the case of what are known as Foreign Bills. Such stamps were allowed to be sold by licensed vendors and could be purchased from them but the stamps which the members of the above Association as being exporters should use for their documents were special adhesive stamps for Bills of Exchange which could not be sold outside the Stamp Office. The Assistant Superintendent was kind enough to give an undertaking that members of the Mauritius Shippers Association would have their documents stamped at once in order to enable them to catch the Mauritius Mail which left Bombay only about once a month.

112. Letting of compartments at the Ryan Grain Market :—

A letter was received from the Grain Merchants' Association, Bombay, enclosing copies of correspondence passed between the Association and the Bombay Port Trust on the above subject and requesting the Committee to do the needful in the matter. It appeared from the correspondence that recently, the Bombay Port Trust invited tenders for the letting of compartments likely to be vacant to which procedure the grain merchants took exception. The Port Trustees contended that their object in calling for tenders for a

three years lease of the available compartments was to stop illegitimate profiteering on the part of tenants and to establish proper control over the letting of compartments to *bona fide* applicants. The grain merchants, however, were not in favour of the policy of the Trustees as it was hardly in the interests of the grain merchants but they showed their willingness to co-operate with the Land Manager in advising him, if they were consulted on any point in connection with the applications received in the usual way. The Chairman of the Bombay Port Trust invited a small deputation of the Grain Merchants' Association to discuss the matter. Subsequently the Grain Merchants' Association resolved to advise their members not to tender for the compartments and they requested the Bombay Port Trust to change the procedure and to let the compartments to *bona fide* grain merchants according to the priority of their applications and standing in the market. The Committee of the Chamber discussed the subject with Mr. Chhotalal Kilachand who represents the Grain section of the Chamber on the Bombay Port Trust and requested the Grain Merchants' Association to communicate further with Mr. Chhotalal in the matter if necessary.

113. Proposed uptodate service of news regarding movements of Labour :—

A letter was received from the Offg. Director of Labour, Bombay, enquiring whether it would be of utility to the members of the Chamber and other employers of labour in Bombay if there were available to them an uptodate service of news regarding movements of labour. The Committee in reply expressed their doubt as to whether the utility of the proposed service of news would at all be commensurate with the labour and cost involved in its organisation.

114. Reconstitution of areas protected under the Cotton Transport Act :—

Towards the end of August a letter was received from the Government of Bombay, Revenue Department, saying that a Conference in connection with the above subject would be held at Surat on Saturday, the 13th September 1924 and the Committee

were requested to nominate a representative to attend the Conference. The Committee nominated Mr. M. M. Amersey as their representative.

115. Wholesale Prices and Wholesale Price Index Numbers:—

A letter was received from the Director, Labour Office, Bombay, with regard to the above which appeared monthly in the Labour Gazette. The opinion of the Chamber was invited as to the commodities to be included, the grouping of commodities and the number of quotations to be secured for each commodity. The Committee in reply stated that any change in the basis of calculation would vitiate comparisons which might be intended to be made between the wholesale prices in future and those in the past. The Committee were therefore not in favour of changing the basis on which the Department of Statistics at Calcutta had been calculating Index numbers upto now. In reply the Director, Labour Office, stated that the Wholesale Price Index Numbers for Bombay City had nothing to do with the All-India Index Numbers issued by the Department of Statistics. In reply the Committee stated that they were still of opinion that any change in the system of making up Bombay Index Numbers by revising the list of articles would not give any results that could justify the increased expenditure that was sure to be involved. In reply the Director, Labour Office, stated that if the Labour Office increased its list of articles for the Wholesale Price Index Numbers no increased expenditure would be involved.

116. Dr. Norman White's report regarding the prevalence of epidemic diseases and port health organisation and procedure in the Far East:—

A letter was received from the Government of Bombay, General Department, forwarding a copy of Government Resolution dated the 13th August 1924 on the above subject and inviting the opinion of the Chamber thereon. The Committee in reply felt doubtful as to the necessity of giving effect to the various proposals put forward by Dr. White. The Committee hoped that the Government of Bombay would strongly urge the Government of India not to accept the

proposal as their acceptance would impose an unnecessary burden on the shipping coming to the Port as also on the financial resources of the country.

117. Indian Sailors' Home :—

A letter was received from the Government of Bombay, Marine Department, stating that a meeting of the Committee appointed by Government in connection with the scheme for an Indian Sailors Home would be held on Monday, the 10th November 1924 and inviting the Committee to send a representative to attend that meeting. The Committee nominated Mr. Walchand Hirachand as their representative.

118. Death of Mr. Hansraj Pragji Thakersey :—

On the premature death of Mr. Hansraj Pragji Thakersey, an ex-Vice President and a prominent member of the Committee, the Committee conveyed to the members of his family their deep sense of the loss of the Indian commercial community in general and the Chamber in particular through the untimely and premature death of Mr. Hansraj Pragji Thakersey.

119. Death of Sir Currimbhoy Ebrahim, Bart :—

The Committee conveyed to Messrs. Currimbhoy Ebrahim and Sons, Ltd., their feelings of deepest sorrow at the death of Sir Currimbhoy Ebrahim, Bart., who occupied an unique position in the commercial and industrial world of the city of which he was rightly regarded as the Doyan.

120. Membership of the Chamber :—

There were at the end of the last year 498 members. During this year 17 have joined and 49 have discontinued their membership, out of whom 25 resigned, the names of 15 were struck off under the rules of the Chamber on account of their subscription having remained in arrears for more than one year, 5 closed their business and 4 members died, leaving at the end of the year 466 members.

121. Balance Sheet :—

The Balance Sheet of the Chamber audited by the Chamber's Auditor Mr. Devidas Vithaldas is appended herewith.

THE INDIAN MERCHANTS' CHAMBER.

Income and Expenditure Account from 1st January 1924, to 31st December 1924.

EXPENDITURE.	Amount.	
	Rs. a. p.	Rs. a. p.
To Office Establishment, Rent, Insurance, etc.		21,678 9 6
„ Postages and Telegrams		721 5 0
„ Miscellaneous Expenses		176 4 9
„ Subscriptions to Newspapers & Journals		1,092 14 11
„ Stationery		649 14 0
„ Printing Chamber's Reports and Representations		3,839 8 0
„ Printing Chamber's Quarterly Journal		1,432 12 0
„ Commission on Advertisements		77 1 6
„ Carriage Hire		213 0 6
„ Furniture		100 0 0

Chairs Hire			51	0 0
„ Advertisements (in Local papers etc.)...			40	0 0
„ Removal of Office			193	1 0
„ Auditor's Fees...			100	0 0
Deposit on Election (Returned to Mr. Lalji Naranji)			250	0 0
			30,615	7 2
Cash and Investments.				
Port Trust Bonds at cost	2,025	0 0		
6½ per cent. Loan	5,000	0 0		
Capital Fund (The Central Bank of India)	2,900	0 0		
Cash with the Central Bank of India, Ltd. ... ... (Including Rs. 175-13-6, being the balance of the Sir Purshotamdas Thakurdas Entertainment Fund)	5,391	8 2		
Cash with the Bank of India, Ltd.	3,501	7 5		
„ on hand	4	2 7		
			18,822	2 2
	Total ...		49,437	9 4

I have examined the above account of Income and Expenditure with Books and Vouchers of the Indian Merchants' Chamber and certify the same to be correct.

DEVIDAS VITHALDAS,
Auditor.

INCOME.	Amount.	
	Rs. a. p.	Rs. a. p.
By balance brought forward		11,045 1 7
Capital Fund Account:—		
17 New Members @ Rs. 100	1,700 0 0	
Less one member's admission fee received during last year @ Rs. 100 ...	100 0 0	1,600 0 0
Membership Subscription:—		
395 Town Members @ Rs. 75	29,625 0 0	
42 Limited Companies @ Rs. 100	4,200 0 0	
16 Mofussil Members: 15 @ Rs. 25 and 1 @ Rs. 16-10-9 (Eight months' fee)	391 10 9	
16 Associations @ Rs. 125	2,000 0 0	
Amount of one mofussil member written off recovered at Rs. 25 ...	25 0 0	
Outstanding subscriptions realised	2,845 0 0	
	39,086 10 9	

Less subscriptions outstanding ...			... Rs. 2,950		...				
„ Last year's Bad Debts of 19 town Members : 5 @ Rs. 60, 13 @ Rs. 75, 1 @ Rs. 100—Rs. 1,375									
One Member's subscription received last year @ Rs. 75/—Rs. 75					...	4,400	0	0	34,686 10 9
Subscription to the Journal ...	...	...	...	...	...				452 2 0
Advertisements ...	...	...	...	...	...				1,015 15 0
Interest on Investments & Current Accounts			...	...	...				552 12 0
Sale Proceeds of old magazines & newspapers			...	...	...				15 0 0
„ „ „ Members Lists	...	...	...	...	...				40 0 0
				Total	...	...			49,437 9 4

J. K. MEHTA,

Secretary.

MUNMOHANDAS RAMJI,

Chairman.

(A) RAILWAYS AND SHIPPING.

(A) RAILWAYS.

APPENDIX 1.

NOTICE ISSUED BY THE B. B. & C. I. RAILWAY REGARDING REGISTRATION OF GOODS AND DISTRIBUTION OF WAGONS.

No. M. 73-18, dated 5th March 1924.

From the Ag. General Traffic Manager, B. B. & C. I. Railway to Chamber.

Registration of goods and distribution of wagons.

I beg to enclose 25 copies of a Notice I have issued for traders and exhibition at principal traffic stations and trust it will meet with the general approval of traders.

NOTICE.

While the present shortage of wagons continues, it is not always possible to meet the demands of merchants in full.

In order to ensure a fair distribution of wagons and to bring traders into closer touch with Railway officials, it has been decided, at stations where there is congestion, to exhibit a statement in English and Vernacular showing how wagons are distributed among the various applicants. A list of traders dealing in each class of merchandise will be drawn up, the names being registered in order

according to the quantity they despatch, and the Station Master will post daily in English and Vernacular, the number of wagons allotted to each.

On each District Special Inspector or Inspectors will be nominated to answer enquiries and investigate complaints, and merchants are requested to communicate with these Inspectors direct in order to save delay. If they are not satisfied with the Inspectors' explanations they should apply to the District Traffic Superintendent.

It is hoped that the public will co-operate in this arrangement, which aims at removing any suspicion of partiality in the distribution of wagons at stations, and will enable merchants to find out the reasons for any unusual difficulty they experience.

F. J H. SIEVWRIGHT,

Ag. General Traffic Manager.

GENERAL TRAFFIC MANAGER'S OFFICE,

Bombay, dated 15th February 1924.

No. T-327, dated 31st March 1924.

From Chamber to the General Traffic Manager, B. B. & C. I. Railway, Bombay.

I am directed to refer you to your letter of the 5th instant No. M. 73-18, enclosing copies of a notice you have issued regarding registration of goods and distribution of wagons. The scheme described in this notice does not appeal to my Committee at all *prima facie* and they strongly protest against it. Before however they go into details regarding the scheme they will be much obliged if you can arrange to meet the Transport Sub-Committee of the Chamber and discuss the whole procedure with them. If you will kindly let me know the time which will be convenient to you for meeting the Sub-Committee of my Chamber at the office of the Chamber I shall arrange to have a meeting at that time. In the meanwhile you will be kind enough to give reasons for introducing changes suggested in the notice enclosed with your letter.

APPENDIX 2.

CHAMBER'S REPRESENTATIVE ON THE G. I. P. RAILWAY LOCAL ADVISORY COMMITTEE.

No. T. 23-16/218 dated 15th April 1924.

From the Agent, G. I. P. Railway to Chamber.

G. I. P. Railway—Local Advisory Committee, Bombay.

I am directed by my Board of Directors to invite the Indian Merchants' Chamber and Bureau to nominate a member to serve on the G. I. P. Railway Advisory Committee and communicate the name of the gentleman selected.

2. A copy of the Constitution and Rules of business is sent herewith.

3. The first meeting of the Advisory Committee will probably be held in the month of June.

Constitution and rules of business for Local Advisory Committee, G. I. P. Ry., Bombay.

With a view to establishing a closer connection between the Railway Administration and general public opinion, and in order to afford the Railway Administration a more regular means of obtaining information as to the requirements of the travelling public and of the general trade of the Bombay Presidency, the Board of Directors have approved of the appointment of a Local Advisory Committee to co-operate with the Agent of the G. I. P. Railway Company, the constitution of the Committee and the conduct of its business to be governed generally by the following rules:

2. The composition of the Advisory Committee of Bombay shall be as follows:—

Chairman (Agent of the Railway or his representative).

1 Member of the Local Government.

1 Member of the Provincial Legislative Council.

1 Member of the Bombay Municipality.

1 Member of the Bombay Chamber of Commerce.

1 Member of the Indian Merchants' Chamber and Bureau.

1 Member of the Bombay Port Trust.

1 Member of the Bombay Millowners' Association.

1 Member to be nominated by the Agent.

An Assistant Secretary to the Agent will act as Secretary to this Committee.

3. The Committee will ordinarily meet once a month under the Presidency of the Agent at his office in Victoria Terminus, Bombay. If the Agent be unable to preside in person at any meeting his place will be taken by a representative of the railway to be specially nominated by the Agent for that purpose. The Agent will, when he considers it necessary, ask any Head of Department or any other officer of the railway to attend to supply information or advice on subjects which affect his department and on which his technical expert advice would be useful to the Committee.

4. The Agent may also invite the Senior Government Inspector of Railways, Bombay, to be present at any meeting.

5. The functions of the Committee will be purely advisory, but the Agent will consider all suggestions and recommendations made by the Committee and will endeavour, as far as possible, to give effect to them provided they do not in any way conflict with the general instructions of the Board of Directors or of the Railway Board, and provided also that they are likely to be beneficial and remunerative to the Railway Administration and to serve the general convenience of the public. Members of Committee will also,

as far as possible, when asked to do so, use their influence to assist the Railway Administration when difficulties arise between the Railway Company and its constituents.

6. Any subject relating to the transportation of passengers and goods on the G. I. P. Railway may be brought up by the Agent or by any Member of the Committee for discussion. The agenda for each meeting shall be circulated to all Members 10 days before the date of such meeting, but notice of any subject which a member desires to put forward for discussion must reach the Agent 20 days before the date of the meeting. Urgent business may, however, with the consent of the Chairman, be brought forward for consideration without previous notice.

7. The Agent will keep the Committee regularly informed of any important changes which have been given effect to or which it is proposed to make in—

(*a*) Timetables and passenger services, and

(*b*) Rates and fares and goods classifications

and also of any proposals in regard to—

(*c*) New projects and extensions

(*d*) New rolling stock, and

(*e*) Any matters affecting the general public.

8. The Committee will have no authority to enquire into or interfere with the internal administration and working of the railway, and questions of personnel, discipline and appointments may not be brought before the Committee. If any question arises at any meeting of the Committee as to the limits of its functions, the decision of the Agent will be final.

9. The tenure of office of the Members of the Committee will be for two years.

10. The proceedings of the meetings of the Committee will be confidential, but a short summary of such proceedings will be prepared and given to the Press at the Agent's discretion.

A copy of the precis of discussion at each meeting will be furnished to each member of the Committee, to the Home Board and to the Railway Board.

11. A fee of Rs. 32 may be paid to each non-official or non-railway member for each meeting attended.

No. T. 461 dated 28th April 1924.

From Chamber to the Agent, G. I. P. Railway.

With reference to your letter No. T-26-16/218, dated the 15th instant, I am directed by my Committee to inform you that they have nominated the Hon. Mr. Phiroze. C. Sethna, O. B. E., (Canada Building, Hornby Road, Fort.) as this Chamber's representative on the Local Advisory Committee of the G. I. P. Railway.

No. T. 34-3/30 of 1st July 1924.

From the Agent, G. I. P. Railway to Chamber.

Local Advisory Committee—G. I. P. Railway.

In continuation of my letter No. T. 26-16/218 dated 15th April 1924, I send herewith copy of an addendum to the Constitution and Rules of business of the G. I. P. Railway Local Advisory Committee, Bombay.

Addendum to the Constitution and Rules of Business of the G. I. P. Railway Local Advisory Committee, Bombay.

To rule 9 add the following:—

"It shall be competent for the Chairman to sanction leave of absence to members of the Advisory Committee and for the constituents to elect or nominate as the case may be, a substitute to represent them during such leave of absence."

No. T.-34-5/14 dated 8th July 1924.

From the Secretary, G. I. P. Railway Advisory Committee to Chamber.

The Hon'ble Mr. Phiroze C. Sethna, O. B. E. has applied for leave of absence from July to the end of November 1924 and I am directed to convey the Chairman's sanction thereto.

In accordance with addendum to Rule 9 of the Constitution and Rules, copy of which was sent to you with my letter No. T-34-3/30 of 1st July 1924, I am to ask that your Chamber will nominate a substitute to serve on the Committee during the Hon'ble Mr. Sethna's absence.

No. T.-775, dated 10th July 1924.

From Chamber to the Secretary, Local Advisory Committee, G. I. P. Railway, Bombay.

With reference to your letter No. T. 34-5/14, dated the 8th instant, I am directed by my Committee to inform you that they have nominated Mr. B. F. Madon (Bombay House, Bruce Road, Fort) to serve on the Local Advisory Committee during the absence of the Hon. Mr. P. C. Sethna.

APPENDIX 3.

REPRESENTATIVE OF THE PASSENGER AND TRAFFIC RELIEF ASSOCIATION ON THE LOCAL ADVISORY COMMITTEE OF THE B. B. & C. I. RAILWAY.

No. 1314 dated 25th February 1924.

From the Secretary, Passenger and Traffic Relief Association, Bombay to Chamber.

I beg to inform you that I have already written to the Agent, B. B. & C. I. Railway (copy enclosed herewith) for granting this

Association a direct representation on the Local Advisory Committee formed by the B. B. & C. I. Railway, and I beg to solicit the Indian Merchants' Chamber's support for the same. Members of the Chamber are already aware of the active and zealous work carried on by this Association for the last eight years and were kind enough in the past to promise us their full support at a time when our Association was feeling difficulty in maintaining its existence. I trust the same appreciation of our work which the Chamber showed at that time will lead them to support our claim in this matter now.

No. 1317 dated 25th February 1924.

From the Secretary, Passenger and Traffic Relief Association, Bombay to the Agent, B. B. & C. I. Railway.

With reference to our request in our letter No. 526 dated 7th August 1923 we now beg to request you to be good enough to call upon our Association to send a representative to serve on your local Advisory Board which is now in the stage of formation. You are already aware of the aims and objects of this Association and have by now judged of its utility by the correspondence it has had with you on several occasions.

We humbly beg to point out that it would be to your interest to have a representative of an Association, whose primary object is to redress the grievances of passengers so that the complaints may be solved without creating any sort of agitation or without carrying on correspondence on subjects of public importance.

We earnestly hope that you will accede to our request at an early date.

No. T-410 dated 14th April 1924.

From Chamber to the Agent, B. B. & C. I. Railway, Bombay

With reference to the correspondence ending with my letter No. T. 845 of the 7th August 1923, I am directed by the Committee

of the Chamber to suggest to you that it is desirable that the Passengers and Traffic Relief Association of Bombay should have a representative on the local Advisory Committee of the B. B. & C. I. Railway.

No. T. 32 dated 23rd April 1924.

From the Agent, B. B. & C. I. Railway to Chamber.

In reply to your letter No. T-410 dated the 14th April 1924, I am desired to say that this matter will receive due consideration after the Committee have met. The Committee has only just been formed and this question will be considered *inter alia* with other questions which will be brought before the Committee.

APPENDIX 4.

ESTABLISHMENT OF A RATES TRIBUNAL.

No. T-328, dated 31st March 1924.

From Chamber to the Government of India, Department of Commerce Simla.

The Committee of this Chamber have received a letter in vernacular from some merchants of Dubrajpur. A copy of this letter which is enclosed herewith (translated in English) will show to you that these merchants complain regarding the inequalities in railway rates between different stations with almost an equal mileage between them. My Committee beg to request the Government of India to be pleased to hasten the establishment of the Rates Tribunal as soon as possible in view of such inequalities of rates between different stations though the distances separating them may almost be the same.

Accompaniment of the above.

Dubrajpur, dated 21st February 1924.

We beg to draw your attention to our grievances against railways which hamper the trade and to request you to get these removed by communicating with the railways.

The distance between this place and Madras is 1129 miles and the railway freight for grain is Rs. 1-11-5 while the distance between Shalemar and Madras is 1032 miles and the freight is Rs. 0-10-0. It will be seen that while there is a difference of only 97 miles in the distance, the difference in freight is as much as Rs. 1-1-5. Really speaking the additional freight for 97 miles should be one anna *i e.* Rs. 0-11-0 from Dubrajpur to Madras. Similarly the freight from here to Calicut is Rs. 2-3-5 while the difference in distance between Shalemar and Calicut and Calicut and this place is only 97 miles. The freight from Shalemar is Rs. 0-14-2 and so the freight from here should be Rs. 0-15-2. Similarly the freight from here to Cochin is Rs. 2-4-1 and that from Shalemar to Cochin is Rs. 1-1-7 while the difference in mileage is only 97. So the freight from here to Cochin should be Rs. 1-2-7. If the railway would grant facilities in freight rates, the trade would not be handicapped. We beg to request you to do the needful in the matter to remove the abovementioned difficulties.

* * * * * *

(Sd.) KARSONDAS JETHA & Co

AND OTHERS.

No 74—C. M., dated 9th April 1924.

From the Government of India, Department of Commerce to Chamber.

I am directed to acknowledge the receipt of your letter No. T—328, dated the 31st March 1924, and to inform you that it has been transferred, for disposal, to the Railway Department to whom all further communications on the subject should be addressed.

No. 606-T, dated 17th April 1924.

From the Government of India, Railway Department (Railway Board) to Chamber.

Establishment of a Rates Tribunal.

In continuation of letter No. 74-CM, of the 9th April 1924 from the Government of India in the Department of Commerce on the above subject, I am directed to state that the question of the establishment of a Rates Tribunal is now under correspondence with the Secretary of State for India.

No. T-532 dated 10th May 1924.

From Chamber to Railway Board, Government of India, Simla.

I am directed to acknowledge receipt of your letter of the 17th April 1924, No. 606-T. My Committee are extremely surprised to find that the question of the establishment of a Rates Tribunal is still under correspondence with the Secretary of State for India. The Government cannot be unaware of the fact that there have been numerous complaints with regard to the inequality in rates. My Committee hope that the attention of the Secretary of State will be drawn to the regrettable delay which has already taken place and that the Government will be good enough to request him to be pleased to expedite this matter.

No. 606-T, dated 15th May 1924.

From the Government of India, Railway Department to Chamber.

Rates Tribunal.

I am directed to acknowledge the receipt of your letter No. T-532, dated 10th May 1924 on the above subject, which is receiving attention.

APPENDIX 5.

FINANCING OF BRANCH LINES OF RAILWAYS.

No. 4901—Ry., dated the 19th February 1924.

From the Government of Bombay, Public Works Department to Chamber.

Subject :—Financing of Branch Lines of Railway.

I am directed to forward for your information, copy of letter No. 2131—F., dated 3rd October 1923, from the Secretary, Railway Board, and to request that you will kindly favour Government at an early date with the views of your Chamber on the proposals contained therein.

No. 2131—F., dated 3rd October 1923.

From the Government of India, Railway Department, (Railway Board) to Provincial Governments.

I am directed to invite a reference to paragraphs 177 to 180 of the report of the Acworth Railway Committee in which the disadvantages and complications resulting from the construction of lines by Branch Line Companies are set out at length and where that Committee recommended that, so far from increasing the number, an attempt should be made to reduce the number of existing Companies.

2. The Railway Board are in full accord with the views of the Acworth Committee in this matter. The difficulties and complications mentioned in that Committee's report have increased to a greater degree as, owing to the heavy increases in the operating expenses of railways, the main lines are no longer in a position to undertake to work Branch Lines for a remuneration limited to a percentage of the gross earnings, while the increase in the rate of interest has had the result of preventing flotation of any additional capital by Branch Line Companies.

3. In accordance with the recommendations of the Inchcape Committee, railways must be constructed and worked on a commercial and remunerative basis. It is obvious that, as no lines are to be constructed by the Railway Board except those from which a remunerative return is to be expected, railway lines, the construction of which is desired by local bodies or by local Governments for the development of the resources of the locality or for the conveniences of the administration, cannot be constructed if they are not of a remunerative character. The Railway Board have had this matter under consideration with various local Governments and have put forward proposals to the Government of India that in cases where the local authorities desire that a line should be constructed which, in the opinion of the Railway Board, is unlikely to be remunerative, the Railway Board should have power to arrange for the construction of the line from its own funds if that local authority or local Government guarantees the Railway Board against loss upon the working of the line. This guarantee would be to the effect that the local body or the local Government would make up the difference between the net earnings and the charges payable in respect of the line until the line pays its way. As the Central Government do not desire to make any profit out of such contributions by local authorities, the Railway Board have on this account recommended that, where contributions have been made by a local authority for this purpose, the repayment of such contributions should be a first charge on any net profits subsequently realized from the line.

4. Before coming to a final decision on this recommendation of the Railway Board, the Government of India desire to have, as early as possible, the views of your Government upon this matter. The guarantee which the Railway Board suggests might be given either by the local Government itself or by a local body. Section 130 of the Madras District Boards Act contains provisions enabling a District Board to guarantee the payment from district funds of such sums as it shall think fit as interest on capital expended on any railway constructed by the Government of India or by a Company which the Board considers likely of benefit to the district. If your Government should be in favour of the proposals put forward by the Railway

Board, the question of inserting similar provisions in the Acts of local bodies in your province might be considered.

5. The criticisms of the Acworth Committee and the proposals contained in this letter relate to District Board as well as to Branch Line railways. It will be impossible for the main lines in future to construct District Board railways on the terms adopted in the past, and the Railway Board are of the opinion that their proposals afford the most satisfactory method of arranging for the construction of railways required for purely local purposes but not likely to be remunerative—a method which is likely to be far more expeditious and effective than any method previously adopted.

No. T-516, dated 8th May 1924.

From Chamber to the Government of Bombay, Public Works Department, Bombay.

I am directed by my Committee to acknowledge receipt of your letter No. 4901-Ry., dated 19th February 1924 enclosing copy of a letter No. 2131-F., dated 3rd October 1923, from the Secretary, Railway Board to various bodies for the views of this Chamber on the proposals contained in the said letter of the Secretary of the Railway Board.

2. My Committee agree with the Inchcape Committee in the view that further construction of railways should be on a commercial and consequently on a remunerative basis, but with a reservation viz. that it would not mean that Government should not undertake any line which could not be shown to be immediately and definitely remunerative however necessary it may be to the progress and welfare of a particular part of the country. My Committee consider that where Government is satisfied that a particular proposed line will largely conduce to the progress and welfare of a particular part of the country, it should not insist on such lines being also *immediately* remunerative at the then assumed rate of interest because such policy would seriously retard the development of the country in many directions. My Committee are of opinion that such lines ought to be

taken up whenever funds are available even at a secrifice for the first several years. They also feel that while the railway budget might show some loss on this particular line the general revenues of the country would be benefitting from the greater and more rapid development of such areas that the railway would traverse and also from the greater economies in the administration that ought to accrue with the improved communications that such a railway would provide. To this extent my Committee favour a modification of the policy recommended by the Inchcape Committee.

3. The Railway Board propose that where such lines are advocated by local bodies or local governments, should the same, in the opinion of the Railway Board, not be likely to be remunerative, the construction of such lines may be undertaken by the Railway Board from their own funds only if the local authority or local Government agrees to guarantee the Railway Board against loss on the working of such lines. My Committee think it most desirable that the Railway Board themselves undertake such construction where they are satisfied that a line would largely conduce to the development, progress and welfare of an area concerned. They are opposed to the suggested guarantee by a local Government because the revenues allocated at present to various local Governments are restricted and if they were called upon to pay as the result of such guarantees it would tend to the strangling or atleast to the diminution of nation-building activities on the part of such local Governments. My Committee consider that the Railway Board which take all the profits of the Railways in each province might reasonably be expected to suffer some sacrifice of revenue, which my Committee believe would only be temporary, for such branch lines as may be undertaken after their utility has been carefully examined.

4. As pointed out above my Committee consider it undesirable to throw the burden of guarantees on local Governments. They consider it absolutely objectionable to throw such burden arising from guarantees on local or district Boards as they are afraid that such guarantees which may be the outcome of unwise decisions influenced by local wirepulling will swallow very large slices of the revenues that could be raised by such local bodies and make it difficult for

them to carry out their responsibility in the matter of education, sanitation, etc., to which alone the revenues of such bodies ought rightly to be devoted.

5- While on this subject my Committee beg to emphasise the need of a fair distribution of such new construction over the various provinces of India. The situation at present is that certain provinces have been favoured, perhaps unwittingly, in railway development to a far greater extent than others, although the needs of these others may be equally, if not more, insistent and would entitle them to similar consideration. My Committee urge on Government a discriminate policy of future construction of branch lines so as to give a fair share of it to each part of the country.

6. My Committee generally approve of what the Acworth Committee say as regards construction of Feeder Railways because capital raised under private auspices is bound to be dearer than what Government can do and even then rebate terms and guarantee have got to be given; and finally when such railway does really become profitable the surplus profits which should accrue to the country go to a body of private investors. My Committee would not grudge such investors any profits if they really took the risks of all the losses but rebate terms and guarantees of a minimum rate of interest are considered an essential part of branch line terms which means that these private investors get the advantage of investment in, practically, a Government security with the advantage of large profits in future years as the country develops and which development would not be entirely due to the existence of such branch lines but to the general development of irrigation, communication, etc., at the expense of the general revenues of the country. Besides private enterprise always picks and chooses from amongst all possible branch lines that be available for construction, and those interested in private enterprise select only the best out of such. The lines with poor prospects have therefore eventually to be taken up by Government only; and unless the Railway Board can divide all possible branch line schemes into three categories, good, bad and indifferent schemes, and make every private person asking for a license to raise capital for branch lines, to take up one each of these classes, the only result will be that the best ones

will be taken away by private enterprise and Government will have to undertake the construction of bad and indifferent branch lines later on at the sole expense of the taxpayer. My Committee therefore are of opinion that no useful purpose is served by allowing construction of further feeder railways by private enterprise. They do not overlook the argument frequently advanced in favour of such enterprise that Government cannot afford to find funds for all the lines that would be necessary and that where Government was not prepared to take up a particular line for want of funds private enterprise ought to be allowed to step in. As is pointed out above private enterprise is not prepared to step in without guarantee at a rate higher than that at which Government can itself borrow and again the amount of capital found by this method is comparatively very small and were it not for the mistaken policy of pre-war days of refusing to borrow even for proved remunerative purposes except on a very limited scale there would not have been any necessity for the encouragement of feeder railways by private enterprise. If the Railway Budget is separated from the general budget it may be presumed that the Assembly will permit raising of capital that can usefully and profitably be laid out and therefore my Committee do not see any necessity for further branch lines by private enterprise on special terms.

APPENDIX 6.

DISTRIBUTION OF WAGONS ON THE MADRAS AND SOUTHERN MAHRATTA RAILWAY.

No. T. 498 dated 5th May 1924.

From Chamber to the General Traffic Manager, M. & S. M. Railway, Madras.

I am directed by my Committee to enclose herewith copy of a letter received from one of the members of this Chamber. My Committee trust that the matter will be properly enquired into and the result be communicated to them.

Dated Hubli, 16th April 1924.

From a member of the Chamber to Chamber.

I have to bring to your notice that this year the railway administration of M. & Southern Mahratta Railway is awfully annoying to the cotton trade. Every day they give indiscriminately fifteen wagons to Messrs. Ralli Brothers for carrying their cotton seeds to Marmagoa and there are no wagons allotted to the cotton merchants and millowners. Although it is no secret for the railway authorities to understand that cotton is fifty times more costly than the cotton seeds and also it is highly inflamable they are giving, in spite of this, undue preference to Messrs. Ralli Brothers at the expense of other merchants who are badly hurt financially on account of this preferential treatment. Will you please handle this matter as very urgent and try every means possible to stop this bad practice and procedure adopted by the railway company? My above complaint is in relation to the inconveniences experienced by me at the Hubli railway station.

We have got 1,200 bales and have got no wagon to load them since the 10th inst.

No. T. S. 8348/5, dated 15-16th May 1924.

From the General Traffic Manager, M. & S. M. Railway to Chamber.

Your No. T. 498 of 5th May 1924.

I cannot make useful enquiries into an anonymous complaint which further gives no specific instances of preferential dealing complained of. The Chamber may rest assured that no undue preference in the supply of wagons is given to Messrs. Ralli Brothers, at Hubli.

APPENDIX. 7.

WORKING AGENCY FOR THE CENTRAL INDIA COAL FIELDS RAILWAY.

No. T.-575 dated 16th May 1924.

From Chamber to the Secretary, Railway Board, Government of India, Simla.

The Railway Board have recently sanctioned the commencement of the construction of a line of Railway to serve the new coalfields east of Jubbulpore lying between Jherria and Ranigunge on the one hand and the Allahabad-Jubbulpore line on the other.

My Committee suggest that the working of this line should be given to the Great Indian Peninsula Railway for the following among other reasons:—

(*a*) If the line is worked by the G. I. P. Railway the probable freight from the centres of the coalfields to Bombay would be on the present G. I. P. Railway Local scale of charges Rs. 11-7 as against the existing freight from Jherria to Bombay on the Bengal scale Rs. 15-6 and Rs. 13-4 if the new colliery line were in the hands of the East Indian or the Bengal Nagpur Railways on the Bengal scale. The Railway Board need not be told that freight is a very important factor in the coal trade and anything which reduces the present heavy freight of coal for Bombay will be welcome to the consumers, and will enable Indian coal to compete with coal from South Africa.

(*b*) The period taken by the present East Indian route from Jherria to Bombay is about 15 days. The period from the proposed coalfields to Bombay if the working were in the hands of the G. I. P. Railway would be, my Committee are informed, about 5 days after the Jubbulpore branch is brought up to strength

(*c*) Bombay is not directly connected with any coalfields at present and it will be an advantage gained for Bombay and the area served by the G. I. P. Ry., if the latter is given the management of this new railway.

(*d*) The contract for the working of the G. I. P. Ry, expires in July 1925, and the management will be presumably taken over by the State in accordance with the resolution of the Legislative Assembly. My Committee consider this as a very important reason why the working of the new railway line should be assigned to the G. I. P. Railway.

No. 1119-P, dated 26th May 1924.

Subject :— Working Agency for the Central India Coalfields Railway.

I am directed to acknowledge the receipt of your letter No, T-575, dated the 16th inst. on the above subject, which is receiving attention.

APPENDIX 8.

PRACTICE OF USING EDGED HOOKS FOR REMOVING GOODS ON RAILWAYS.

No. T-589 dated 20th May 1924.

From Chamber to the Chief Traffic Manager, G. I. P. Railway, Bombay.

My Committee are informed by one of the members of this Chamber that the practice of using edged hooks for removing goods is in vogue on the G. I. P. Railway. The use of such hooks causes

considerable damage to certain kinds of goods, specially piecegoods. I am therefore directed by my Committee to request you to be good enough to take necessary steps to stop this practice of using edged hooks if it is in vogue at any stations on the G. I. P. Railway.

No. T-590 dated 20th May 1924.

From Chamber to the General Traffic Manager, B. B. & C. I. Railway, Bombay.

My Committee are informed that the practice of using edged hooks for removing goods is in vogue on certain Railways. The use of such hooks causes considerable damage to certain kinds of goods, specially piecegoods. I am therefore directed by my Committee to request you to be good enough to take necessary steps to stop this practice of using edged hooks if it is in vogue at any stations on the Bombay, Baroda and Central India Railway.

No. G.1-338 of 26-27th May 1924.

From the Ag. Chief Traffic Manager, G. I. P. Railway to Chamber.

Re. The practice of using edged hooks for removing goods.

In acknowledging receipt of your letter No. T. 589 dated 20th May 1924 I shall be glad if you will in future endeavour to quote specific instances, so that I may take up with the staff concerned.

I am however writing to the Divisional Officers advising them to instruct their staff to exercise more care when they are handling valuable and piecegoods consignments.

No. C. A. 1700-22-4 of 25th July 1924.

From the Ag. General Traffic Manager, B. B. & C. I. Railway to Chamber.

Re. Use of loading hooks.

Your letter No. T. 590 of 20-5-1924.

With reference to your above letter I beg to point out from enquiries made I find that hooks are freely used by the sender's loaders and cartmen. Almost every man arrives with a hook, and in view of this it is not understood why objection is being taken to the use of hooks by Railway hamals, when hooks are used more frequently for all purposes by the sender's men. However orders have been issued to our staff at Carnac Bridge not to use hooks when handling bales of piecegoods.

APPENDIX 9.

RESTRICTIONS ON TRAFFIC *Via* POONA ON THE G. I. P. RAILWAY.

Dated 3rd April 1924.

From Messrs. Damjee Assaria & Co. to Chamber.

We beg to bring to your notice the great hardship that is being experienced by the rice trade in general due to closing of booking by the G. I. P. Railway to *via* Poona stations over a month since. Practically no rice has been despatched to any place situated beyond Poona owing to this closing for a long time, and we have received several pressing demands to supply this foodstuff without further delay, which, however, we cannot meet for want of Railway booking. Matters have been represented by us, and by the Rice Merchants

Association to the Railway concerned, but so far nothing has been done to relieve the tension. We would therefore feel obliged if you kindly took up the question with the G. I. P. immediately, and get the booking even partly opened for the Rice commodity at once. You will kindly impress on them the necessity of supplying the foodstuff to the places concerned without any further delay.

No. T-362, dated 3rd April 1924.

From Chamber to the Chief Traffic Manager, G. I. P. Railway, Bombay.

This Chamber has received a complaint from a member to the effect that much hardship is being experienced by the rice trade in general due to the closing of booking by the G. I. P. Railway to *via* Poona stations since more than a month. My Committee will be much obliged if you will be kind enough to let me know at your earliest convenience if the booking has been stopped as alleged and if so the reasons for the same.

No. B 2-13 II, dated 10th/11th April 1924.

From the Ag. Chief Traffic Manager, G. I. P. Ry. to Chamber.

Your No. T-362 of 3rd April 1924.

Re. Booking of rice via *Poona.*

I very much regret the hardship that has been caused by the restrictions on booking to stations on the M. and S. M. Railway *via* Poona. There is an accumulation of wagons waiting transhipment to the M. and S. M. Ry. at Poona due to the phenomenal rush of traffic. The prime cause is the density of the salt traffic, which was held up at the salt works pending the reduction of the salt tax and is now moving forward in large quantities.

The number of wagons of salt loaded daily has been limited with the object of permitting the loading of a limited quantity of rice and general goods daily. As soon as the accumulation of loaded wagons has been cleared, booking will be opened.

In conclusion I would state that the facilities at Poona for transhipping the vast traffic now offering have proved inadequate. The Company is proceeding with the construction of improved and larger transhipsheds and I hope that the congestion of the present season will be eliminated in succeeding years.

No. T-551, dated 13th May 1924.

From Chamber to the Agent, G. I. P. Railway, Bombay.

I am directed to draw your attention to the enclosed correspondence which my Committee had with the General Traffic Manager of the G. I. P. Ry. regarding booking of rice *via* Poona. Since then matters instead of improving have grown worse and the climax was reached on Monday, the 12th instant which was announced as the only day on which traffic for *via* Poona would be admitted into the gate and accepted for despatch. The natural result was that hundreds of carts thronged the gates from early morning on Monday to evening, the whole traffic was blocked, bags of merchants were thrown pellmell on the pavements of the public roads and any amount of inconvenience, trouble and harrassment was caused to the trading community. The Secretary of this Chamber personally saw these scenes which were almost unprecedented. My Committee were informed by the General Traffic Manager in his letter of the 10th April 1924, No. B. 2-13 II, that the prime cause of the booking *via* Poona being stopped was the density of the salt traffic. My Committee will like to know if this density has not diminished during the last month and also the number of wagons which are assigned daily for this traffic. This stopping of booking *via* Poona has led to a dislocation of trade as merchants are not able to have an easy and quick turnover of their capital. My Committee hope that you will

be pleased, looking to the extreme seriousness of this question, to look into this question and to remove restrictions with regard to this booking *via* Poona.

My Committee will be obliged if you will be kind enough to let them know if there is any traffic passed notwithstanding the restriction for *via* Poona from either Victoria Terminus station or Byculla and if so, the extent of the traffic.

No. T-26-198/40, dated 23rd May 1924.

From the Agent, G. I. P. Ry. to Chamber.

Restriction of Traffic via Poona.

Your letter No. T-551, dated 13th May 1924.

In continuation of my letter No. T-26/198,* dated 20th May, 1924, I beg to state that this matter is having our constant attention and I can only reiterate what my Chief Traffic Manager has already told you that the prime cause of the imposition of a restriction on booking *via* Poona has been brought about by the abnormal quantity of salt traffic this Railway has been called upon suddenly to move at a time when the traffic both to and from the M. & S. M. Railway was exceptionally heavy.

2. During January and February we were handling a larger traffic at Poona than in the corresponding months of the previous year and were practically working to our full capacity when, in March, large stocks of salt which were held up pending the settlement of the salt tax, were released from the Konkan District for conveyance *via* Poona—and salt being preferential traffic and also requiring to be moved before the monsoon this Railway had no option but to arrange clearance.

3. Every effort was made by this Railway to handle an increased tonnage at Poona and improvement in this direction was

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* Acknowledgement.

gradually effected. By taking full advantage of all facilities and working day and night, the quantity of goods handled per day in April being 28 % in excess of our ordinary capacity.

4. The total tonnage transhipped at Poona from the G. I. P. to the M. and S. M. Railway from 1st March to 17th May was nearly 25 % in excess of the corresponding period of last year whilst the acceptance of goods for *via* Poona at Wadi Bunder for the same period was, in spite of the restrictions enforced, 23 % in excess of the previous year's figures.

5. It should be noted that traffic for *via* Poona is not abnormal only from Bombay. Famine conditions in the Southern Mahratta country have also drawn grain and famine grass from the Northern sections of India and the percentage of all traffic transhipped to the M. & S. M. Railway *via* Poona from 1st March 1924 to 17th May 1924 is as under :—

Salt traffic	33
Traffic from Bombay *i.e.* B. P. T. Ry. & W. B.	35
Traffic from other areas	32

From these figures, it will be seen that Bombay really has been given preference.

6. I would assure you that every endeavour is being made to move the traffic offering as expeditiously as possible and to remove the restriction at the earliest possible moment and it is hoped that the traffic awaiting despatch *via* Poona will, provided the M. and S. M. Railway continue to work up to their present capacity, be moved in about a month's time.

7. In regard to the congestion which occured at Wadi Bunder on the 12th instant, I am of opinion that if merchants could regulate their despatches it would be unnecessary to close our gates for such lengthy periods and the congestion, such as is now complained of, would be considerably minimised. On the date mentioned when the

gates for *via* Poona traffic were opened the maximum shed accommodation for this traffic was arranged, booking to certain other stations was restricted and Poona local traffic diverted to Byculla. At the merchants' request 48 hours notice of opening of the gates was given and 8000 carts of traffic for *via* Poona attempted to gain admission on the one day with the result of which you are well aware.

APPENDIX 10.

REVISION OF RAILWAY RISK NOTE FORMS.

No. 2/2417, dated 11th June 1924.

From Messrs. Cowasji Dinshaw Bros. to Chamber.

For some considerable time past whenever we are sending consignments of stores to our Mills at Burhanpur the G. I. P. Railway Authority would not accept them for transit at owners' risk unless a remark is made on the Railway Receipt of "Packing defective" however securely the goods may have been packed. This is a usual trick and appears on all Railway Receipts so as to save the Company in case of loss or breakage. This sort of pressure on consignors is, to say the least, exceedingly unfair. We are sure other mill owners having upcountry mills are labouring under the same grievance.

Under the circumstances, we shall feel obliged if you will kindly ask your Committee to make a strong representation to Government against this inequitable and oppressive practice of railways.

No. T. 747, dated 3rd July 1924.

From Chamber to the Government of India, Railway Department (Railway Board), Simla.

I am directed by my Committee to request you to be good enough to let them know when the recommendations of the Committee appointed to consider the revision of Railway Risk Notes will be put into effect.

No. 488-T. dated 11th July 1924.

From the Government of India, Railway Department, (Railway Board) to Chamber.

Revision of Risk Note Forms.

In reply to your letter No. T-747 of 3rd current, I am directed to state that the revised Risk Note Forms will be introduced on Railways with effect from 1st October 1924.

APPENDIX 11.

INEQUALITIES IN RAILWAY RATES ON THE G. I. P. RAILWAY.

Dated 11th August 1924.

From Mr. Ramji Bharmal to Chamber.

I beg to draw your attention to the following:—

The rate for grain and seeds booked from Jubbalpore to Wadi Bunder (700 miles) is 0 8-8 per maund and that of Gadarwara (650 miles) was 0-12-8 *i.e.*, four annas more though the distance is less by 50 miles.

Again if the goods were sent from Gadarwara to Jubbalpore and from there to Wadi Bunder the rate is only 0-12-0 (for both journeys).

This being brought to the notice of the officers it has been revised and the rate from Gadarwara to W. B. has been made 0-12-0 *i.e.*, it has been decreased by eight pies per maund, since last two months.

The Gadarwara Station is just midway between Itarsi and Jubbulpore on the Itarsi and Jubbalpore Section of G. I. P. Railway and therefore the rates of other stations on this section should also be revised.

The rate from Gadarwara to W. B. should also still be decreased as the rate from Jubbalpore is 0-8-8 although it is far than Gadarwara.

My firm has addressed letters to the Chief Traffic Manager, G. I. P. in the matter but nothing has been done as yet, although long time has passed.

Will you please therefore move authorities to revise the rates and thus remove the injustice done to the merchants?

No. T. 1063 dated 27th August 1924.

From Chamber to Mr. Ramji Bharmal.

With reference to your letter dated the 10th instant, regarding inequalities in rates on the G. I. P. Railway, I am directed to inform you that the same has been referred to Mr. B. F. Madon, the Chamber's representative on the Advisory Committee of the G. I. P. Railway.

APPENDIX 12.

RAILWAY FREIGHT ON NON-SAFETY MATCHES.

Ahmedabad, Dated 14th August 1924.

From the Gujarat Islam Match Manufacturing Co. Ltd. to Chamber.

We beg to lay before you as one of the members of your Chamber our following grievance with regard to the railing of our non-safety matches (known as Bengal Light Matches) in the hope that you will take up the matter in right earnest with the authorities concerned.

Our Company was started as far back as 1895. We manufacture safety as well as Bengal Light Matches both of which are railed by us to different parts of India. Till now, our matches were charged by the railway authorities on actual weight and freight levied accordingly no matter to whatever station they were railed, to any parts of India. The railway authorities in Ahmedabad informed us during the first week of this month that they would accept in future our consignments of non-safety matches on actual weight only so far as the B. B. & C. I. Railway is concerned charging same on a minimum weight of 20 maunds for the distance covered on any foreign railway other than their own. In other words on account of these new rules if we want to rail one case we shall have to pay railway freight for 20 maunds instead of the actual weight viz. 30 seers. For instance, if we want to rail our one case of Bengal Light Matches, from Ahmedabad to Raichur, the B. B. & C. I. Railway would charge on actual weight as far as Dadar and thence on a minimum of 20 maunds for the remaining journey. This would mean that if we were paying till now Rs. 2 per maund to the B. B. & C. I. Railway from Ahmedabad to Dadar and Rs. 3 from Dadar to Raichur to the G. I. P. Railway, we shall have to pay Rs. 2 to B. B. & C. I. Railway plus 20 times of Rs. 3 *i. e.*, Rs. 60 to the G. I. P. Railway *i. e.*, in all Rs. 62 against Rs. 5. It would interest you to note that the value of one case comes to Rs. 30 only on which we must pay a railway freight of Rs. 62 for despatching same to Raichur. Such a step as you will readily understand cannot but seriously affect our interests and bring the industry to a standstill. The Bengal Light Matches are seasonal goods and they are sold most during Diwali season. This is the only month when our matches are railed most to different parts of India and unless the railway authorities rescind their present orders, the goods will remain on our hands that would necessarily end in paralysing our industry. Till now while accepting any consignments of our non-safety matches, the railway authorities solely relied on Rule No. 41 of Red Pamphlet page 19 issued by the Indian Railway Conference Association which we quote below for your reference.

"Subject to any exceptions notified from time to time by

Railway Administrations, the minimum weights for chargo of dangerous goods other than explosives are as follows :—

Dangerous goods which can be loaded in covered iron goods vehicles but not with explosives nor with ordinary merchandise.	"Urgent" consignments *i. e.*, consignments booked on days other than those on which a regular service is run.....20 maunds. "Deferred" consignments *i. e.*, consignments booked on days on which the regular service is run..... Actual weight.

From the above, it will appear that all our consignments of non-safety matches tendered for despatch from Ahmedabad on the particular day fixed by the railway once a week must be charged on actual weight irrespective of the different railways through which the goods may pass. We request you to kindly treat this matter as very urgent and persuade the railway authorities concerned in the interests of an Indian indigenous industry to cancel their recent orders immediately and chargo our consignments on actual weight as done hitherto.

No. T. 1039 dated 20th August, 1924.

From the Chairman of the Chamber to the Agent,

B. B. & C. I. Railway.

A complaint has been made to the Indian Merchants' Chamber by a Match Manufacturing Company of Ahmedabad that it has been informed that in future its consignments of non-safety matches would be accepted on actual weight only so far as the B. B. & C. I. Railway is concerned and will be charged on a minimum weight of 20 maunds for the distance covered on any foreign railway. This means that if this match manufacturing company wants to rail one case, it will have to pay railway freight for 20 maunds instead of the actual weight, namely 30 seers. For instance, if it wants to rail one case of Bengal Lighting Matches from Ahmedabad to Raichur, the B. B. and C. I. Railway would charge on actual weight

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as far as Dadar and then on a minimum of 20 maunds for the remaining journey. This would mean that if it was paying till now Rs. 2 per maund to the B. B. and C. I. Railway from Ahmedabad to Dadar and Rs. 3 from Dadar to Raichur to the G. I. P. Railway, it would have to pay Rs. 2 to the B. B. and C. I. Railway plus 20 times of Rs. 3 *i. e.*, Rs. 60 to the G. I. P. Railway, that is in all Rs. 62 against Rs. 5. Such an increase in freight cannot but seriously affect the match manufacturing industry.

Will you kindly let me know why it has been thought necessary to depart from a practice which, I am informed, was in vogue for so many years and also to let me know if this change will affect foreign matches as well.

No. T-1033, dated 21st August 1924.

From Chamber to the Gujarat Islam Match Mfg. Co. Ltd.

With reference to your letter of the 14th instant, I am directed by my Committee to inform you that the representatives of the Chamber on the Local Railway Advisory Committees of the B. B. & C. I. and G. I. P. Railways have been requested to do the needful in the matter. You will be kept duly informed of further developments.

No. T-1071, dated 27th August 1924.

From Chamber to the Gujarat Islam Match Mfg. Co. Ltd.

In continuation of my letter No. T-1033, dated the 21st instant, I am directed to enquire whether you have sent any representation to the Chief Traffic Manager, G. I. P. Railway, with regard to your grievance. If not, I am directed to request you to do so now and let me know the result.

No. 3862 dated 28th August 1924.

From Gujarat Islam Match Manufacturing Co. to Chamber.

We thank you for your letter No. T. 1071 dated 27th instant and in reply beg to say that the G I. P. Railway charges our Non-Safety matches booked from here on Tuesday on actual weight (vide page 22 clause (4) of Red Pamphlet No. 5). When the local authorities informed us that on our consignments of Non-Safety matches booked from here on any other Railways except B. B. & C. I. Railway a minimum charge of 20 maunds will be levied, we communicated with the G. I. P. Railway on 11th inst. to ascertain whether they will charge our Non-Safety matches booke from here on Tuesday on actual weight as mentioned in the Red Pamphlet No. 5. We have now received a reply from the Chief Traffic Manager, G. I. P. Railway, Bombay, that our Non-Safety matches will be charged on actual weight as is done till now.

No. R. 96/20-A. dated 29th August 1924.

From the Ag. General Traffic Manager, B. B. & C. I. Railway to Chamber.

Matches Non-Safety from Ahmedabad.

Your letter of 20th instant.

I presume your letter refers to bookings of matches non-safety by the Gujarat Islam Match Mfg. Co. Ltd., Ahmedabad. In reply, I beg to state that under the rules prescribed by Government, *vide* Red Pamphlet No. 5 published by the Indian Railway Conference Association, matches non-safety, whether Indian or Foreign made, is not permitted to be loaded with ordinary merchandise and it can, therefore, only be loaded with other dangerous goods in Iron covered wagons. The Rules applicable to dangerous goods, in the Red Pamphlet No. 5, authorise "Deferred" consignments, *i. e.*, consignments booked on days on which the regular service is run, to be charged on actual weight, 'Urgent' consignments *i e.*, con-

signments booked on days other than those on which a regular service is run being charged on a minimum weight of 20 maunds. So far as this Railway is concerned, a regular service for the carriage of matches non-safety is run from Ahmedabad on Tuesdays for Broad-gauge stations and Fridays for Metre gauge stations and, consequently, charges are levied over the B. B & C. I. Railway, on actual weight if matches non-safety is booked on those days. Over Foreign Railways, except the G. I. P. and N. W. Railways over which charges are levied on actual weight, charges are levied on the minimum weight of 20 maunds as they have no regular services for the carriage of dangerous goods. I may add that a single maund of matches non-safety frequently necessitates the exclusive use of an entire wagon over Foreign Railways and hence the minimum weight for charge of 20 maunds is correctly adhered to.

No. T-1133, dated 15th September 1924.

From Chamber to the Government of India, Railway Board, Simla.

The attention of my Committee has been drawn to the fact that non-safety matches are charged on actual weight on the B. B. & C I. the G. I. P. and the N. W. Railways if consigned on Tuesdays while, it is said, they are charged on the minimum weight of 20 maunds on M. & S. M. Railway, as the latter has apparently got no regular service for the carriage of dangerous goods just as the former Railways have. Consequently, consignors of non-safety matches on the M. & S. M. Railway are heavily penalised in the shape of exhorbitant railway freights on their articles. I am therefore directed by my Committee to request you to be so good as to move the M. & S. M. Railway and any other Railway which may not have that system to introduce a regular service for the carriage of dangerous goods in the interest of the match manufacturing industry.

No. 984-T, dated 23rd September 1924.

From the Government of India, Railway Department to Chamber.

Your No. T-1133 of 15th current.

In reply to your above, I am directed to suggest your addressing the Agent of the railway concerned direct in the matter.

No. T-1261, dated 13th October 1924.

From Chamber to the Agent, M. & S. M. Railway, Madras.

The attention of my Committee has been drawn to the existing anomaly with regard to Railway freight on non-safety matches on the Madras and Southern Maratha Railway. While the B. B. & C. I. and the G. I. P. Railways charge non-safety matches, booked from Ahmedabad on Tuesdays, on actual weight the same are charged on a minimum weight of 20 maunds on the Madras and Southern Maratha Railway, as the latter has got no powder van service from Raichur. This entails a great hardship on the consignors of non-safety matches from Ahmedabad who have to pay heavy freight charges on the Madras and Southern Maratha Railway. It is observed from the Red Pamphlet No. 5 (Page 22) that there is a facility provided for consignors of matches from Madras in the direction of Raichur but not in the reverse direction. I am therefore directed by my Committee to request you to be good enough to give such a concession in the reverse direction also to consignors who despatch non-safety matches from Ahmedabad on Tuesdays, in the interest of the match manufacturing industry. My Committee trust that their request will be complied with.

No. R. 1-3394-24, dated 25th October 1924.

From the General Traffic Manager, M. & S. M. Railway to Chamber.

Re :—Non-Safety Matches.

In reply to your letter No. T-1261 of the 13th instant addressed to the Agent which has been forwarded to me for disposal, I have to inform you that small consignments of non-safety matches charged on the actual weight can be accepted for despatch in the direction of Raichur on Wednesdays.

In the reverse direction there is no similar service and freight is calculated on the minimum of 20 maunds for each consignment.

However in this respect I would point out that it is advantageous to consignors in as much that the minimum weight of 20 maunds may be applied collectively on two or more consignments tendered by one consignor at the same time for either one or more stations in the same direction. You will therefore see that this rule is of much benefit to consignors as it applies to booking on any day whereas on the G. I. P. and B. B. & C. I. Railways respectively charges are levied on the minimum weight of 20 maunds for each consignment except when tendered for despatch on Tuesdays.

No. T-1371, dated 13th November 1924.

From Chamber to the General Traffic Manager, M. & S. M. Railway, Madras.

I am directed to acknowledge the receipt of your letter No. R. 1-3394-24, dated the 25th October 1924.

My Committee feel that the effect of the existing arrangements for the booking of non-safety matches on the Madras & Southern Mahratta Railway is that indigenous non-safety matches are greatly

handicapped, as against the foreign imported matches, as the bulk of the traffic in non-safety matches from Raichur to Madras is in indigenous matches which are charged on the minimum weight of 20 maunds, while special facilities are provided for the carriage of non-safty matches from Madras to Raichur, the bulk of which is bound to be foreign imported stuff, and which are charged on actual weight on Wednesdays. If such facilities can be provided in one direction, my Committee see no reason why the same cannot be provided in the reverse direction also.

With regard to the concluding paragraph of your letter under reply, my Committee think that looking to the stage in which the match manufacturing industry in India is at present, it would be very difficult for manufacturers to book large consignments or a number of small consignments at a time. The advantage referred to by you would therefore appear to be only theoretical.

From what has been stated above it will be found that under the present arrangements on your Railway, the Indian match manufacturers are put to a great disadvantage. My Committee therefore again request you to be good enough to reconsider the matter and provide such facilities for the booking of non-safety matches from Raichur to Madras as exist in the reverse direction.

No. 6296, dated 11th November 1924.

From the Gujarat Islam Match Manufacturing Co. to Chamber.

Subject:—Booking of Non-Safety matches.

With further reference to our correspondence on the above subject, we beg to inform you that we are informed by the Station Master, Ahmedabad, yesterday evening that our cases of Non-Safety matches booked on Morvi State Railway, M. & S. M. Railway, N. G. S. Railway, and O. R. Railway, would be charged on the minimum of 20 maunds. We have fully indicated to you in our

previous correspondence how these restrictions would severely affect our industry. The M. & S. M. Railway charges Non-Safety matches on actual weight if booked from Madras. You can thus see that foreign matches which have to pay nearly the same sea freight from Germany either for Bombay or Madras will flood the market to the detriment of Indian industry. The matter is so important to us that the very existence of our industry is threatened. We therefore trust you will please take suitable steps to see that all the four Railways mentioned above charge our consignments of Non-Safety matches on actual weight as was done till now.

No. T-1399, dated 21st November 1924.

From Chamber to the General Traffic Manager, N. G. S. Railway, Hyderabad, Morvi State Railway, Morvi & Oudh & Rohilkhand Railway, Oudh.

The attention of my Committee has been drawn to the fact that non-safety matches booked from Ahmedabad are charged on your Railway on a minimum weight of 20 maunds, while the same are charged on actual weight on the B. B. and C. I., G. I. P. and N. W. Railways, when booked from Ahmedabad on Tuesdays. Consequently consignors of non-safety matches are heavily penalised in the shape of exhorbitant railway freight on these articles on your Railway. I am therefore directed by my Committee to request you to be good enough to make suitable arrangements on your Railway for the carriage of non-safety matches booked from Ahmedabad on Tuesdays on the basis of actual weight instead of the present minimum of 20 maunds in the interest of the Indian match-manufacturing industry.

No. T-1459, dated 10th December 1924.

From Chamber to the Gujarat Islam Match manufacturing Co. Ltd., Ahmedabad.

I am directed to enclose herewith copies of replies received from the N. G. S. and O. R. Railways regarding booking of matches from Ahmedabad, and to request you to be good enough to supply the information asked for by the O. R. Railway at your early convenience.

No. R. 262-24, dated 26th November 1924.

From the Traffic Manager, N. G. S. Railway to Chamber.

Minimum weight for charge for non-safety matches.

Your letter No. T-1399 of 21st November 1924.

As no regular service is run on this line, I regret the minimum weight of 20 maunds for charge cannot be altered into actual weight.

No. R. 3-62-14, dated Lucknow, the 3rd December 1924.

From the Traffic Manager, O. & R. Railway to Chamber.

Re-booking of matches from Ahmedabad,

Your letter No. T-1399, dated 21st November 1924.

Please let me know the names of the stations where the matches from Ahmedabad are booked to and in what quantities to ea destination *on this Railway or via this railway* to enable me to look into the matter.

APPENDIX 13.

NEW RULES FOR THE PACKING OF CONSIGNMENTS OF PIECEGOODS INTRODUCED BY RAILWAYS.

No. T.-1449, Dated 6th December, 1924.

From Chamber to the Railway Board, Government of India, Delhi.

I beg to confirm hereby the following telegram which was sent to you on the 3rd instant :—

> "Committee Indian Merchants' Chamber beg to urge Railway Board to cancel new Rules introduced by Railways regarding packing of piece goods consignments if possible or if not atleast to defer their enforcement till considered by Indian Railway Conference Association and decision arrived at."

The publication and enforcement of new packing rules in connection with piecegoods, yarn, etc. by different Railways have much disturbed the commercial community to whom they will mean needless and unnecessary worry, hardship, inconvenience and expense. It is much regretted that the commercial community is not consulted before such important and far-reaching changes are made in rules. If commercial bodies had been taken into confidence before the promulgation of new rules all the worry and trouble would have been saved. My Committee hope that Railway Companies and the Railway Board will in future consult commercial opinion before taking any important steps likely to affect commercial and industrial interests.

The promulgation of these rules shortly before the enforcement of new Risk-note forms lends a natural colour to the view that the

Railway Companies have tried indirectly, by a flank movement as it were, to go round the new Railway Risk Notes which entailed a greater responsibility on them. My Committee beg to protest most strongly against the procedure adopted and against the new packing rules. They have seen the rules introduced by the B. B. and C. I. Railway and the G. I. P. Railway and find them as extremely harsh and annoying. They have not seen rules issued by the other Railway Companies but judging from the complaints heard everywhere they cannot be much different.

B. B. and C. I. Railway Rules :—Merchants themselves used to cover their consignments with tarpaulin during the monsoon months and the old requirement was also for this period. This is now however changed and covering by tarpaulin is required throughout the year, entailing a heavy cost on the trading and industrial community. The extra expense entailed in packing owing to the new conditions would amount to between three and four rupees per bale, which in the case of small packages over short journeys would often be greater than the Railway freight charges.

G. I. P. Railway Rules :—The G. I. P. Railway rules have retained the old provision with regard to the monsoon. They however contain the objectionable requirement of tarring of stitches of bales. My Committee submit that this is an exceedingly dangerous provision as boiling tar in the compound of a mill is likely to set fire, specially as so many piecegoods bales are placed there for being tarred. It is doubtful if Insurance Companies will allow it and if they allow it, they are sure to charge a higher premium. All this will mean more expense. Under these circumstances, my Committee beg to request the Railway Board to be good enough to cancel the new rules or if this is not possible to issue instructions to Railway Companies not to put these regulations into effect till at least 31st March.

My Committee understand that the introduction of these new rules has been already postponed up to January 1st but this is too short a period for the Conference to consider them. What is wanted is a reconsideration by the Conference with a view to their cancellation and replacement by old rules.

No. 675-T, Dated 5th December, 1924.

From the Government of India, Railway Department to Chamber.

Your Telegram of 3rd instant.

In reply to your above, I am directed to explain that the rules in question were adopted by railways after consideration by the Indian Railway Conference Association, and, as your Chamber is no doubt aware, their application has been postponed till 1st January, 1925. A copy of your telegram is, however, being forwarded to the Association.

No. 671-T. Dated 11th December, 1924.

From the Government of India, Railway Department to Chamber.

Your No. T-1449 of 6th instant.

In reply to your above I am directed to inform you that the introduction of the new packing conditions has been postponed to 1st January, 1925 and that the Railway Board understand that the question of a further postponement is now under the consideration of the Indian Railway Conference Association.

APPENDIX 14.

GRIEVANCES OF MERCHANTS AGAINST THE JODHPUR BIKANER RAILWAY.

Dated Jodhpur, 15th January 1924.

From Merchants of Jodhpur to Chamber.

A few days ago the Dy: Manager, J. B. Railway, Jodhpur, informed us that he will not entertain our claims against the Railway

purporting to be signed by us C/o. our agents unless we submit him power of attorney in favour of our such agents. We replied him on 21st November 1923 (copy herewith) and reminded on 4th December 1923, but he has not written us anything in return.

Will you please peruse the accompanying copy of our arguments, advise us how far our arguments are right, and what steps should we take against the above referred orders of the Dy: Manager ?

We also think that the Manager, J. B. Railway, will simply confirm what will be settled by the Dy: Manager, so please advise how should we represent the case before the Railway Board.

Any suggestions, points, reference to Government or Railway Acts confirming our arguments shall be most cordially received.

As far as we know hundreds of Railway claims agents are conducting cases against Indian Railways on behalf of merchants and no Railway has ever raised any such objection. Merchants finding no spare time or knowing little about Railway rules naturally entrust their claims against the railways to agents, but when such technicalities will come in their way few of them will care to fight against the Railway for compensation. Seeing such helpless position of us, merchants, the Dy. Manager has issued the above order.

The Dy. Manager is a man of good knowledge. We cannot stand against him unless you help us. Under the circumstances please give your thorough consideration over this matter and advise us definitely on the subject. If you will not come forward to help us in time we fear many Railways will adopt such policies and all of us will be put to great loss and inconvenience. We may lastly ask you that you will not at this very time directly write to the J. B. Railway authorities, but only advise us.

Again asking for advising us definitely on the subject,

(Copy.)

From Merchants of Jodhpur to the Dy: Manager 'Commercial' J. B. Railway, Jodhpur.

Most of the big establishments, like Railways, Steamship lines, gigantic works, etc., all over the world, are now seeking closer co-operation with their clients by helping them in every way. This they do, because they know that in these hard times, without support of their clients, they won't prosper.

Most happily, our Benign Darbar have newly created your post specially with a view to extend greater facilities to us, merchants, help to increase our business and share our prosperity in shape of Railway freight, etc.

But, we are sorry to note that new rulings derogatory to us, merchants, are being framed by the Railway Authorities and additional troubles put in our way instead of helping us. By so doing the real purport of Shree Darbar will remain unfulfilled and we fear the decreasing income of the Railway will still tend to go down for the very same reason.

It has come to our notice that recently you have written that you cannot attend to our claims which are purporting to be signed by us C/O our agents, unless a stamped power of attorney is produced, and you further advise us in our interest to correspond direct with your office and so avoid commission payment.

We thank you for your sympathetic feelings towards us and beg to write that the method which we are presently following, *i.e.* of allowing our agents to sign in our stead in carrying on our claims, is the best, easiest and cheapest for us. If we dwell upon the facilities afforded by this method it will take a lot of your precious time.

We further beg to add that no Railway Act demand of us to submit power of attorney to our agents who simply write as we advise and sign in our stead with our permission expressed or implied. In fact Contract Act Sections 186 and 187 empower us to allow our

agent to do so on our behalf without giving them power of attorney. Again Railway Act Section 77 running as under:—

"A person shall not be entitled to a refund or overcharge in respect of.....unless his claim to the refund or compensation has been preferred in writing *by him or on his behalf* to the Railway etc. etc. etc."

also supports us and makes no mention of our necessity or even desirability of granting power of attorney to our agents.

In commerce, Railway, Telegraph and Post Departments, and merchants are all on equal footing. And all transactions of the principal persons are carried on by their agents having no power of attorney granted in their favour. Nor power of attorney is deemed necessary or even desirable for such transactions. This is a well established fact requiring no further proofs. For example,

A posseses a very big firm having branches in many cities. All the various agents, appointed by A, carry on business, have transactions with the Railway, Post and Telegraph Departments, and other merchants and sign all papers in the name of the principal A. Do all the other merchants, post, Telegraph and Railway Department, ask A's agents to show, or at least have a legal right to see power of attorney in their favour?

Moreover, though our agents have power to collect, transact business on our behalf without having power of attorney, as fully shown above, yet they simply write to the Railway as we authorise, and above all payment of claims is made to *us*.

In view of the above well established practice your demand for showing power of attorney from agents is quite unnecessary and undesirable.

To tell the truth, power of attorney is required in a regular Judicial Court. There (in a Judicial Court) all agents, whatsoever they may be to the principal (even real brothers in case of firms and Claim Inspectors, etc., in case of Railway), are required to show

power of attorney in their favour in order to carry on case on behalf of the principal. And none but a regular Judicial Court demand power of attorney.

All the foreign Railways, including Government lines, have never raised such displeasing questions in any case whatsoever. Even in case of payment being required to be made to a third person, they have simply asked us to submit our written application on an ordinary piece of paper. The able, experienced officers of Government and other Railway have gone beyond this (we can furnish you with concrete examples). They know that such written authority on ordinary paper is more than enough in commercial lines.

We also see that this question has been more than once raised by the Railway authorities and dropped on our just and lawful protest. We gently ask you to kindly give your deep consideration on our this petition and allow us to continue our long established practice which is at once lawful and beneficial to all.

Hoping to receive a favourable reply early.

No. T-154, dated 6th February 1924.

From Chamber to Merchants of Jodhpur.

I am directed to acknowledge receipt of your letter of the 15th January 1924. As far as the information of my Committee goes no such rule appears to be enjoined by any other Railway Company. In order however to ascertain reasons for the issuing of such a notice my Committee have addressed a letter in general terms to the Traffic Manager, Jodhpur Bikaner Railway, a copy of which is enclosed herewith for your information.

No. T-153, dated 6th February 1924.

From Chamber to the Deputy Manager, J. B. Railway Jodhpur.

My Committee are informed that a notice has been issued by your Railway Company to all merchants that their claims against

it will not be entertained if they are merely signed by them and their agents have not got a duly executed power of attorney. My Committee will be much obliged if you will be kind enough to inform them if such a notice has been issued and if so, to send a copy of it to this Chamber. You will also kindly inform my Committee of the reasons for issuing such a notice as to the knowledge of my Committee no such requirement is enjoined by any other Railway Company.

No. D1-10-31, dated Jodhpur, 11th February 1924.

From Deputy Manager, Coml. J. B. Railway to Chamber.

Your No. T-153, dated 6th February 1924.

You appear to have been misinformed. I have taken exception to letters purporting to be signed by consignee etc but really signed by others. I have pointed out that in these cases I must have a letter of authority authorising a third person to conduct the case and receive moneys etc.

Dated, Jodhpur 8th September 1924.

From Merchants of Jodhpur to Chamber.

Let us, first of all, thank you very much for the valuable help rendered to us formerly.

In fact if there were no such societies to look after the interest of the merchants they would be pinched up.

The Dy. Mananger, Commercial, J. B. Ry., Jodhpur, after receiving your letter on the subject issued a notice to the effect that he would hear the claims of the merchants represented by their agents if an unstamped power of Attorney is submitted, to which we, however, consented.

But recently the Manager, J. B. Ry., Jodhpur under his above said No: has issued a notice as under :—

"Under the orders of the Revenue Member, Jodhpur and the Bikaner Government notice is hereby issued, that, no application from the claim agencies on behalf of their clients re: claims will be entertained unless they are accompanied by (1) a duly authorised Power of Attorney or on Rupee One non-judicial Stamp for each transaction or (2) by a duly authorised Power of Attorney by rightful claimant on Rupees five non-judicial Stamp for more than one transaction. In the case of Bikaner State a fee of Rs. 1 will be recovered by the State authorities for attestation."

In fact, in the claims etc. cases our agents used only to write and sign on our behalf upon our instructions. And accordingly the reply was obtained at the address of our agents. But payment was realised by us. As far as we think the issuing of the notice said above for the Power of Attorney on a Rs. 1 or Rs. 5 non-judicial stamp is unjust. Also by so doing our petty claims of very small amounts are not being filed at all owing to the expenses of Rs. 1, 2, in the first instance. By this imposition of Rs. 1 stamp Power of Attorney the State will be benefitted while we merchants will greatly suffer. As we ourselves never take the trouble of fighting the claims cases, we hand them over to our agents. No Rys. in India except J. B. Ry. has issued similar orders. We shall be much obliged if you will please help us in this matter, writing definitely what should we do and to whom we should proceed and how. We asked the Manager, J. B. Ry. to send us copies of orders of the Revenue Member of Jodhpur and Bikaner Government and his own, sent to Revenue Member and Bikaner Government on the subject, but gave no reply at all. Also please get these copies and send them to us. Our former letter sent to you on this subject may kindly be perused.

No. T-1191, dated 24th September 1924.

From Chamber to Merchants of Jodhpur.

With reference to your letter dated the 8th instant, I am directed by my Committee to inform you that they cannot see their way to do anything in the matter as they think that the procedure has been adopted by the Railway authorities for their protection.

No. T-1369, dated 13th November 1924.

From Chamber to the Manager, J. B. Railway, Jodhpur.

I am directed by my Committee to enclose herewith copy of a letter received from a merchant of Jodhpur for favour of your remarks.

Dated 26th October 1924.

From Merchants of Jodhpur to Chamber.

Your No. T-1191 dated 24th September 1924.

We are much disappointed to receive your above said unanimating reply; but presuming that our matter has not been quite clear to you so we venture to write again on the subject, fully explaining the same, and hoping to get favourable reply.

As you already know merchants themselves are mostly unable to carry on their claims against the Rys., as they find little time besides their own business, most of them are unaware of the Ry. rules and regulations and several other minor reasons. Therefore they naturally entrust their claims to their agents. We entrust our claims to our agents and,

(1) Simply authorise them to sign in our stead in that particular case only.

(2) Ask them to obtain reply at their address so that delay may not occur ;

(3) But payment is made to us and not our agents. In fact we have power to authorise our agents to do so according to Sec: 186 and 187, Indian Contract Act.

The Dy. Manager, J. B. Ry. asked us to submit unstamped letter of authority in favour of such agents, which we consented to do. Now he has issued another notice purporting that we should submit stamped Power of Attorney in favour of our agents. This action of the Manager is not justified. This will put us to great troubles and loss. Our pleas against this are as follows:—

(1) Small claims of us will never be filed owing to first expenses of Rs. 1 for stamp only. By this Railway will be much benefitted, and we shall be put to heavy loss.

(2) Even in big cases the Railway will be heavily benefitted as most of us, Marwari merchants, being uneducated will not prefer to undergo such technicalities, rather than suffering the whole loss of the claim amount.

(3) There is no need of such stamped Power of authority, as claim is paid to *us*, correspondence is conducted in our name. In business an unstamped letter of authority is more than enough to serve the purpose, as was formerly ordered by the Dy. Manager. Besides, by this process the Railway has never felt inconvenience.

We hope you will please help us in this matter, at least advising us what should be done to remove our this trouble. If still any thing may be not quite clear, we are prepared to explain fully the same to you.

No. 78-T4-68, Jodhpur, dated 21st November 1924.

From Dy. Traffic Manager, claims, J. B. Railway to Chamber.

Your No. T-1869 of 13th November 1924.

I beg to enclose a copy of this Office No. 78 T-4-52 of 17-7-1924 issued to the Claims Agencies for your information.

Copy of letter No. 78 T-4-52 of 17th July 1924.

From the Manager, J. B. Railway, Jodhpur, to the Claims Agents, Jodhpur.

Claims Agencies.

This Railway does not refuse to deal with the Claims Agencies in the matters of claims, but, in order to ensure good faith on the part of the Agencies, and, safeguard the interest of the Railway, it is essential, that, it must insist upon the production of a Power of Attorney executed by the rightful claimant. It is also quite essential for the Railway to know whether any particular Agency is dealing with the authority of any particular claimant or not—what is the extent of that authority—and whether such authority is exceeded by the Agency or not.

Under the orders of the Revenue Member, Jodhpur and the Bikaner Government notice is hereby issued, that, with immediate effect no application from the claims Agencies on behalf of their clients or those signed by unauthorized persons purporting to have been signed by the real claimants regarding claims for compensation for lost or damaged goods, parcels, luggage or for refund of freight overcharged, will be entertained unless they are accompanied by (1) a duly authorized Power of Attorney by rightful claimant on Rupee one non-Judicial Stamp for each transaction or (2) by a duly authorized Power of Attorney by rightful claimant on Rupees five

non-Judicial Stamp for more than one transaction duly attested by a Tehsildar or Nazim or any Judge in the case of Bikaner Railway Station and in the case of J. Railway Stations duly attested by a Hakim of the District or any other person authorized by the Revenue Member, Jodhpur, In the case of Bikaner State a fee of Rs. 1 will be recovered by the State authorities for attestation.

These orders do not apply to old pending cases which will be closed without calling for the Power of Attorney.

No such power of Attorney will be demanded of the recongnized State Vakils when acting for their clients, as it is understood, that, they being Legal persons obtain Power of Attorney from the clients before they proceed with the case.

No. T-1448-A, dated 4th December 1924.

From Chamber to the Merchants of Jodhpur.

In continuation of my letter No. T-1368 * dated the 13th November 1924, I am directed by my Committee to enclose herewith a copy of the notice issued by the J. B, Railway to the Claims Agencies and to say that my Committee do not see their way to take any further action in the matter.

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* Not printed here.

(B) SHIPPING.

APPENDIX 15.

RENEWAL OF THE EASTERN MAIL SERVICE CONTRACT WITH THE P. AND O. STEAM NAVIGATION Co.

No. 37-P. T. Dated 12th January, 1924.

From the Government of India, Department of Industries and Labour to Chamber.

I am directed to refer to your letter No. T-1055,* dated the 8th October 1923, wherein you raise certain questions in connexion with the renewal of the contract for the Eastern Mail services.

2. With regard to the first point raised by you, I am directed to say that the Government of India have already recommended that the new contract should be for a period not exceeding five years, if so short a term can be arranged without unduly raising the amount of subsidy required.

3. Your next proposal is that it should be one of the fundamental terms of the contract that Indians should be employed as far as possible, and that there should be full scope for the training of Indians as apprentices. Your Chamber will no doubt appreciate the fact that the adoption of this recommendation would in all probability enhance the cost of the contract. The contract is one which, as you are aware, is drawn up between the British postal authorities and the shipping company concerned, and covers the conveyance of mails to several other countries besides India, the contribution for the Indian Mails representing only a small portion of the whole. It is a purely business contract, and is in no sense a

*For previous correspondence vide Chamber's Annual Report for 1923 Pages 113-116.

concession, and as such it has to be determined solely from the point of view of securing the most efficient service on the most economical terms. I am further to remind you that the question of the training of Indians for the different grades of the mercantile marine is at present under investigation by a committee, and, in the opinion of the Government of India, the proper course will be to consider and act upon the recommendations of that Committee, when received, rather than to introduce this issue in the determination of the terms of a contract for the carriage of mails. For these reasons, the Government of India regret that they cannot accept your proposal.

4. Lastly, you ask that the terms of such a contract should be first submitted to the Legislature. I am to say that the Government of India are unable to accept the view that the details of such a contract as that under discussion could suitably be referred to the Legislative Assembly for discussion. They have already given the assurance which you quote in your letter, and if further financial commitments are involved by the new arrangement, the proposal will, in the ordinary course, be laid before the Standing Finance Committee of the Assembly for their advice.

APPENDIX 16.

EMPLOYMENT OF LASCARS IN NORTHERN LATITUDES DURING WINTER MONTHS.

No. 1283 Dated 4th July, 1924.

From the Shipping Master, Bombay to Chamber,

Subject :–Employment of Lascars in Northern Latitudes during the winter months.

I have the honour to forward herewith an extract from letter from the Government of India, Department of Commerce, No. 232–S,

dated the 30th April 1924 and request that you will be good enough to furnish me with the views of the Shipping Companies concerned on the question raised therein at a very early date. A copy of the agreement* in which the clause (b) is inserted, is also sent herewith for reference.

An extract from the letter from the Government of India, Department of Commerce, No. 232–S, dated the 30th April 1924:—

2. The Secretary of State for India points out that the wording of the first proviso to the first clause in the Lascar Agreement does not express what is the obvious intention of the agreement. The intention of the restrictions of the employment of lascars was clearly to save them from serving in certain areas during periods of the year when the weather there is normally very inclement and much colder than that to which they are normally accustomed. In winter months in northern latitudes they are not to serve in the Baltic or off certain portions of the eastern coast of North America. As the Lascar Agreements are, however, worded they provide that a crew shall not serve "between 1st of October, in one year and 31st of March, in the succeeding year on a voyage to any port in the Baltic, etc." These words strictly interpreted would prevent the enrolment of a lascar in Calcutta on say 10th of March, for ship bound to a Baltic Port, although obviously such a ship would not reach the Baltic until the summer months. It is highly improbable that any such extreme interpretation is in practice placed on this clause, but it seems desirable to bring the wording of the Lascar Agreements more into agreement with their obvious intention.

3. The difficulty arises through the use of word 'voyages' and it seems to the Government of India preferable to

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* Not printed here.

define by latitude and longitude the areas in which lascars are not to serve in certain periods of the year rather than to attempt to base the definition on voyages.

4. They accordingly suggest that clause (*b*) of the first proviso to the first clause of the Lascar Agreement might with advantage be modified to read as follows :—

(*b*) during the said period no member of the said crew shall serve between the 1st of October in one year and the 31st of March, in the succeeding year :—

(1) North of 54° N. Lat. between Longitude 10° East and 30° East;

(2) North of 38° North Lat. between Longitude 40° West and 76° West, except under special agreement voluntarily undertaken by members of the said crew employed solely between decks in the Engine and Stewards Departments to serve on voyages as far North of 43° N. Lat. in those Longitudes;

(3) Between 120° East and 120° West Longitudes :—

(*a*) Between 40° and 50° North Lat. save under special agreements voluntarily undertaken by members of the said crew, and

(*b*) Between 50° and 60° North Lat. save under special agreement voluntarily undertaken by members of the said crew employed solely between decks in the Engine and Stewards Departments.

5. "I am to request that the Government of India may be favoured with an expression of opinion of His Excellency the Governor in Council and also with the views of the Shipping Masters and of the Shipping interests on the advisability of making such a change and especially on the suitability of the degrees of longitude now for the first time proposed to be introduced."

No. T-1022, dated 20th August 1924.

From Chamber to the Shipping Master, Bombay.

Subject :—Employment of Lascars in the Northern Latitudes during the winter months.

With reference to your letter No. 1283, dated the 4th July 1924 on the above subject, I am directed by my Committee to state that they have no views to offer.

APPENDIX 17.

PROPOSED SCHEME FOR THE ADMINISTRATION OF PORTS AND SHIPPING BY THE GOVERNMENT OF INDIA.

No. 34-2718, dated 29th September 1924.

From the Offg. Port Officer of Bombay to Chamber.

I have the honour to forward herewith a copy of Government of India letter No. 186-S (2), dated the 3rd instant, and its accompaniment, and request that you will be so good as to favour me with an opinion on the proposed scheme for the administration and finance of ports and shipping.

A reply may please be sent so as to reach this office not later than the 10th October 1924.

Letter from the Government of India, Department of Commerce, No. 186-S (2), dated the 3rd September 1924 to the Government of Bombay, Marine Department.

"I am directed to address you on the subject of the administration of ports and shipping.

"2. The list of central subjects in Schedule I to the Devolution Rules includes :—

(1) Shipping and navigation ;

(2) Lighthouses ;

(3) Port quarantine and marine hospitals ;

(4) Ports declared to be major ports.

Other central subjects which are affected by the administration of ports and shipping, are customs, pilgrimages beyond India, and emigration and immigration. As the law now stands, however, the statutory power for the administration of ports and shipping is vested almost entirely in Local Governments. In other words, the law is not in accordance with the Devolution Rules.

"3. The first question for consideration is whether the administration of ports and shipping should continue to be central or should be provincialised. As at present advised, the Government of India consider that the control over subjects which are of national or international concern, should be vested in the Central Government. Ports and shipping are clearly in this category for the following reasons :—

(1) The major ports are integral parts of the Indian system of communications, and could no more be provincialised than the main lines of railway could be. Transport efficiency also requires that ports and railways should be under the control of the same final authority, which would be able to co-ordinate administration and overcome conflict of interest in handling traffic.

(2) It is essential for Indian commerce that the law relating to merchant shipping should be administered uniformly and according to international standards. Moreover, Indian shipping is governed to a considerable extent by the English Merchant Shipping Act, parts of which

apply to the whole of His Majesty's dominions. It is proper that the Government of India, not the provincial Governments, should be responsible for the administration of an Imperial Act. Finally, in sea-borne trade the port is only one end of journey. The engagement of a lascar or the survey of a load-line is more than a local obligation. Here again, it is proper that the Government of India should be responsible for matters which must inevitably pass far beyond the provincial jurisdiction.

(3) The Government of India have subscribed and will presumably continue to subscribe to international agreements such as the Convention on the International Regime of Maritime Ports, the International Sanitary Convention, the Convention for the Safety of Life at Sea, and so on. They cannot avoid administrative responsibility for the observance of such conventions, to which they are signatories.

"4. Assuming, therefore, that the administration of ports and shipping will continue to be central, it has next to be considered whether these subjects should be administered direct or, as at present, through the agency of the Local Governments. Experience of agency administration has not been altogether satisfactory.

"In the first place, from a purely technical point of view, the effect has been that the ports have been administered by individual Port Officers as separate units. The Local Government has no technical adviser but the Port Officer himself, and the Government of India are dependent on the advice of the Local Government. There is no possibility of the efficiency, uniformity and discipline which would be obtained by the expert inspection and control of a central supervisory staff.

"5. Secondly, it is believed that the agency relationship is satisfactory to neither party. The Government of India can well understand that it is irksome to Local Governments to be called

upon to administer an important and difficult subject with only such funds and staff as they are able to obtain from the Government of India. On the other hand, the Government of India sometimes have to make demands on the Legislature for expenditure which for lack of full information they find it difficult to justify.

"6. To sum up, it seems clear, on the one hand, that the administration of ports and shipping should continue to be central, and should not be provincialised. On the other hand, it is difficult under the agency system either for the Local Government or for the Government of India satisfactorily to discharge their responsibilities. It seems to follow, therefore, that ports and shipping should be administered direct as a central subject by the Central Government and this is the conclusion towards which the Government of India are provisionally inclined. A scheme for the administration and finance of ports and shipping has been prepared on this basis, and is appended to this letter. It will be understood, of course, that the subject contains many technical and local difficulties, which cannot be considered in detail in a general scheme. The scheme is now put forward merely as a basis of discussion, and it should clearly be understood that the Government of India reserved their opinion on many points of detail in the scheme.

"7. It is considered that the question would be most expeditiously and satisfactorily discussed at a conference, at which Local Governments and other parties interested would be represented. It is proposed to hold such a conference during the first half of November at Delhi, and I am to express the hope that the Government of Bombay will be willing to send a representative. It is also intended to invite representatives of the Port Trusts of major ports and the Principal Port Officers.

"8. Meanwhile, I am to ask that the Government of Bombay, if there is no objection, will be good enough to obtain the opinions of Port Trusts, shipping and other commercial interests on the general principles of the provincial scheme. It would be convenient, if possible, that such opinions should reach the Government of India not later than the end of October, in order that they may be examined before the proposed conference meets."

EXPLANATORY NOTES.

A.—ADMINISTRATION.

Railway Board.

The Railway Board is made responsible for the commercial administration and development of major ports, through the Port Trusts, for the following reasons:—

(1) The problems of commercial administration and development are mainly transport problems; construction of railways, bridges, wharves, docks, warehouses, etc.; fixation of rates; handling of traffic; and so on. The Railway Board is the only Department of the Government of India which is technically equipped to deal with such problems, and to examine schemes of development for which the flotation of a loan is to be sanctioned.

(2) The ports may properly be regarded as the marine terminuses of the Indian railway system. It is desirable that there should be co-ordination between the Port Trusts and the Railway administrations leading into the ports in such matters as development and extensions, rates, handling of traffic, etc. This co-ordination can best be effected through the Railway Board.

The Railway Board would exercise the same, or similar, control over Port Trusts as over Company-managed railways. It is understood that the Railway Board would be able to undertake this duty without any considerable change in its organisation.

Liaison with the Commerce Department, which is responsible for the safety of shipping and the general interests of commerce, would be effected through the Hon'ble Member who is in charge of both Departments.

Railway Committee's Report, paragraphs 98 to 100.

The administration of ports by the Department of Government in charge of railways was recommended by the Acworth Committee, and appears to be the natural extension of a system of State-owned railways. For instance, in the Union of South Africa there is a combined department of Railways and Harbours.

Port Trusts. Calcutta Port Act, 1890; Bombay Port Trust Act, 1879; Madras Port Trust Act, 1905. Rangoon Port Act, 1905; Karachi Port Trust Act, 1886; Aden Port Trust Act, 1888.

2. Port Trusts perform two functions, *viz.*,

(1) The administration and development of the property vested in the Port Trust under the various Port Trust Acts;

(2) The conservancy of the port, *i. e.*, the regulation, maintenance and improvement of the navigation of the port andits approaches, under the Indian Ports Act.

Indian Ports Act, 1908.

The administration of the Port Trust property, including docks, jetties, wharves, warehouses, railways, etc., is divided like the administration of a Railway Company into two main departments, *viz.*

(*a*) Traffic;

(*b*) Engineering.

Section 7 of the Indian Ports Act provides that "some officer or body of persons" shall be appointed conservator of every port. Where there is a Port Trust, the Port Trust is appointed conservator and carries out its duties through a departmental head, who at some ports is designated Deputy Conservator. The Deputy Conservator's department has the following branches :—

(*a*) The Harbour Master, who directs all movements of shipping within the port;

(*b*) Lights and marks in the port and its approaches;

(*c*) Survey and dredging of the port and its approaches.

It is desirable to maintain this distinction between the management of the Port Trust property, which is a commercial undertaking, and the statutory responsibility for the safe navigation of the port and its approaches. In port administration, there is likely to be a conflict between profits and safety.

The conservancy of the port, like the other activities of the Port Trust, would be under the general control and supervision of the Railway Board, but subject to inspection by the Port Officer and other officers of the proposed Mercantile Marine Department, as representatives of the Commerce Department, which is responsible for safety.

Commerce Department.

3. The Commerce Department is made responsible for the safety of shipping and generally speaking would perform in India the functions which the Board of Trade perform in the United Kingdom. In particular it would administer the various port, lighthouse and other establishments, which are employed in connection with the safety of shipping and the welfare of masters and seamen and passengers.

Director, Mercantile Marine Department.

4. The Director, Mercantile Marine Department, is the appointment on which the whole scheme hinges. It is proposed that the isolated establishments which are now scattered about India under the various local Governments should be brought together into a single department under an administrative head. The Director should have sea experience, and should be familiar with the work of the Board of Trade and Trinity House. His duties would be as follows :—

(1) To perform the duties which the local Governments now perform as agents of the Government of India ;

(2) To supervise and control the port, lighthouse and other establishments and to provide the expert inspection which is necessary for efficiency, uniformity and discipline;

(3) To act as technical adviser to the Commerce Department on all matters relating to merchant shipping.

Port Officers. Indian Ports Act, Section 3 (5).

5. Port Officers are now officers of the Royal Indian Marine on deputation to local Governments, except in Bombay where the Port Officer is the servant of the Port Trust. The office is constantly

referred to, and is even defined, in the Indian Ports Act, but there appears to be no statutory provision for the appointment. And their functions differ in different ports. Under the scheme now proposed, the Port Officer will be appointed by, and responsible to, the Commerce Department through the Director, Mercantile Marine Department. He will be the chief executive officer of Government at the port, and all other officers and establishments will be directly subordinate to him. He will also be the local representative of the Commerce Department in all matters relating to merchant shipping. Port Officers will continue to be officers of the Royal Indian Marine on deputation.

Functions of Port Officer and staff.

6. The functions of the Port Officer and the officers subordinate to him are shown in the table. It will be understood that some of these functions may be delegated to the Port Trust. For instance, the Port Trust may be appointed receivers of wreck within the limits of the port. Again, as conservator of the port, the Port Trust properly maintains the lighting of the port and its approaches. Or again, subject to the general provision in section 3 (3) of the Indian Ports Act that a pilot must be authorised by the local Government, the Port Trust is now usually the local pilotage authority. But the delegation of such functions to the Port Trust should be subject to supervision and inspection by the Port Office, as the representative of the Department of Government which is responsible for the safety of shipping.

(1) Registration of ships; M. S. Act, 1894, Section 91; M. S. Act, 1894, Section 4.

7. Part I of the Merchant Shipping Act, 1894, which deals with registry, applies to the whole of His Majesty's dominions and appoints the Port Officers at Calcutta, Madras and Bombay to be registrars of British ships. The Port Officers at Rangoon, Moulmein, Bassein and Akyab, and the Political Resident at Aden, have also been appointed by local Governments in exercise of their powers under the Act.

The Indian Registration of Ships Act, 1841, provides for a limited registration of doubtful validity. Calcutta, Madras and Bombay are ports of registry under the Act. The Chief Customs Collector at Rangoon, the Port Officer at Karachi, the Political Resident at Aden and the Port Officers at various minor ports in Madras and Burma have also been authorised by local Governments to make registry, in exercise of their powers under the Act.

Registration of Ships Act, 1841, Sections 2 and 3.

The Bombay Coasting Vessels Act, 1838, provides for the registration of local coasting vessels, fishing vessels and harbour craft. It is provided that registry should be made by the "Master Attendant" at Bombay, and by the Collector of Customs or such other person as may be appointed by the Government of Bombay at other places. The Port Officer has been so appointed at Karachi.

Bombay Coasting Vessels Act, 1838, Section 4.

8. Shipping offices and Shipping masters correspond to the Mercantile Marine offices and Superintendents in the United Kingdom. The business of the Shipping master is to superintend and facilitate the engagement and discharge of seamen, and he is generally responsible for the welfare of seamen and apprentices. Licences to supply seamen would issue through him. He would also act under the Port Officer as the local authority in relation to distressed seamen.

(2) Shipping offices & Shipping masters; Indian M. S. Act, Section 6; M. S Act, 1894, Section 246. Indian M. S. Act, Section 24; Indian M. S. Act, Section 74.

It is considered desirable that Shipping masters should be officers of the mercantile marine with sea experience rather than officers of the Royal Indian Marine on deputation.

9. Engineer and ship surveyors are now officers of the Royal Indian Marine on deputation. The Board of Trade have more than once pressed upon us the need for improving our survey organisation.

(3) Survey of Ships; M. S. Act, 1894, Section 85; 86; Indian M. S. Act, Sections 129, 223 and 290.

(1) by the appointment of additional shipwright surveyors, *i.e.*, who have had practical experience in ship construction;

(2) by the establishment of a central office at which surveyors' assignments would be co-ordinated and checked.

The matter is of great importance. As the Board of Trade have pointed out, the survey for load-line is the main guarantee for the seaworthiness of the ordinary cargo ship. At present India load-line certificates are not fully recognised by the Board of Trade. The improvement of our survey organisation in the manner indicated may be regarded as a necessary condition of the development of an Indian mercantile marine.

The surveyors also now carry out the survey of inland steam-vessels under the Inland Steam-vessels Act, which is a provincial subject. Our surveyors could continue to do this, if required by the local Government, on payment of the proper fees.

Inland Steam Vessels Act, 1917, Section 4.

The certifying officer for native passenger and pilgrim ships is the officer who receives notice of sailing, who issues the A and B certificates, and who has discretion to grant or withhold a certificate. At present he is the Port Officer at Calcutta and Karachi and the Deputy Conservator at Madras. At Bombay, where the Port Officer is a servant of the Port Trust, the certifying officer is the Commissioner of Police. He should be the Port Officer, who would have the necessary survey made by the surveyors subordinate to him.

Indian M.S. Act, Sections 151, 157, 160.

The inspection of lights and fog-signals for the prevention of collisions and life saving appliances would be carried out by the Port Officer's survey staff.

Indian M. S Act, Section 214. M. S. Act, Section 431.

The detaining officer empowered to detain unsafe ships would be the Port Officer.

Indian M. S. Act, Section 232.

Wireless Telegraphy Inspectors would be subordinate to the Port Officer, but would be subject to technical inspection by the Wireless Telegraph branch of the Post and Telegraph Department.

Indian M. S. Act, Section 243.

Scientific referees, in appeals to the Court of Survey, would as at present, be selected by agreement between the Port Officer and the appellant.

Indian M. S. Act, Section 271.

10. Examinations for certificates of competency for masters, mates, engineers and engine-drivers are now conducted by the Port Officers under the direction of the local Government, which is the authority granting certificates. Examinations for surveyors may similarly be held. Under the proposed scheme, the authority granting certificates would be the Commerce Department of the Government of India. With a central department for Mercantile Marine, it should be possible to strengthen the board of examiners and enhance the value of Indian certificates.

(4) Certificates of competency; Indian M. S. Act, Section 15; Indian M. S. Act, Section 290.

The Port Officer also now holds the examinations for certificates of competency for masters, serangs, engineers and engine drivers under the Inland Steam-vessels Act. He could continue to do this, if required by the local Government, on payment of suitable fees.

Inland Steam-vessels Act, 1917, Section 20.

11. The Port Officer would be the officer at the port to whom notice of a shipping casualty is given, and who makes any preliminary investigation and report. The report would be made to the Commerce Department, through the Director, and also to the local Government, as being the authority responsible for legal proceedings (see below).

(5) Shipping casualties; Indian M. S. Act, Section 246 (3) and 247.

Investigations into explosions would be made through the Chief Inspector of Explosives and his staff.

Indian M.S. Act, Section 267.

The receiver of wreck would ordinarily be the Port Officer, but might, as in Calcutta, be the Port Trust within the limits of the port

Indian M.S. Act, Section 273. Calcutta Port Act, Section 125.

12. The Indian law regarding pilotage is now meagre. The Indian Ports Act merely defines "pilot" as a person for the time being authorised by the local Government to pilot vessels, and makes somewhat vague provision for pilotage fees and a separate pilotage fund. The Calcutta Pilots Act provides only for the trial of pilots for breach of duty. The Burma Act is more complete, but is no longer in force in Rangoon.

(6) Pilotage; Indian Ports Act, Section s 3 (3), , and 36; Calcutta Pilots Act, 1859; British Burma Pilots Act, 1883; Rangoon Pilot (Amendment) Act, 1922.

The Bengal Pilot Service is controlled by the local Government through the Port Officer. At Bombay, Madras, Karachi, Rangoon and Aden the right and privilege of maintaining pilots is vested in the Port Trust under the various Port Trust Acts, The Rangoon Port (Amendment) Act provides for a Pilot Board, on which the pilots and the Deputy Conservator of the port are represented. Elsewhere there is no such provision.

Bombay Port Trust Act, Section 72; Madras Port Trust Act, Section 96; Karachi Port Trust Act, Section 55; Rangoon Port Act, Section 28-A Aden Port Trust Act, Section 52.

A local pilotage authority may be desirable, but the control of the Commerce Department, which is responsible for safety, through the Port Officer should be maintained. More definite legislation on the lines of Part X of the Merchant Shipping Act, 1894, and the amending Pilotage Act, 1913, is required for

(1) The appointment of a local pilotage authority where required;

(2) Regulations regarding the qualifications and examination of pilots, for the grant, renewal, suspension and cancellation of pilotage licences and certificates, and generally for the good government of pilots;

(3) Regulations for pilot boats and pilot flags;

(4) Regulations for compulsory pilotage and pilot signals;

(5) The fixation and recovery of pilotage dues;

(6) Provisions for a separate pilotage fund, and the submission of accounts and other returns;

(7) Offences by pilots and provisions, where necessary, for their trial.

(7) Lighthouses.

13. Lighthouses are divided into

(*a*) Port lights, which light the port and its approaches;

(*b*) Coast lights, which are marks for passing trade.

A port light is sometimes also a mark for passing trade.

Indian Ports Act, Section 36 (5) (*b*).

The Indian Ports Act provides for port lights, which are ordinarily maintained by the Port Trust as conservator of the port.

Madras Coast lights Act, 1904; Sind Coast-lights Act, 1915; Burma Coast-lights Act, 1879.

There are Coast-lights Acts for Madras, Sind and Burma. Coast-lights Acts are now maintained by the local Governments, usually through the Port Officer of a major port. The Public Works Department and in Bombay the Salt Department also perform certain functions

Under the proposed scheme, the division into port and coast lights would be maintained. The Commerce Department, acting through the Director of the Mercantile Marine Department, would be the general lighthouse authority. The local lighthouse authorities would be:—

(*a*) For port lights, the Port Trust as conservator of the port, but subject to supervision and inspection by the Port Officer as the representative of the Commerce Department;

(*b*) For coast lights, the Port Officer of the adjoining major port.

In the United Kingdom the Board of Trade is assisted in the administration of lighthouses by an advisory committee, representing shipping interests. The constitution of a similar committee in India should be considered.

14. The authorities responsible for the removal of obstructions in fairways now are:

(8) Obstructions in fairways.

(*a*) Within the limits of the port, the Port Trust as conservator of the port;

Indian Ports Act, Sections 10 to 12 and 14.

Obstruction in Fairways Act, 1887.

(*b*) In fairways leading to ports the local Government.

The Port Trust, as conservator of the port, would continue to be responsible within the limits of the port.

In the United Kingdom, where there is no harbour or conservancy authority, the generel lighthouse authority is responsible. In India, under the proposed scheme, this would be the Port Officer of the adjoining major port; see paragraph 13 above.

M. S. Act, 1894, Section 531.

The same authorities would also be responsible for the marking of wrecks.

15. The Port Health Officer is now appointed by the local Government under the Indian Ports Act. But his chief responsibilities are the observance of quarantine regulations and, generally speaking, the duties of the sanitary authority of the port under the International Sanitary Convention. He should therefore, be appointed by the Department of Education, Health and Lands. He would be under the Director General, Indian Medical Service, and the Public Health Commissioner for discipline and inspection, but would also be subordinate to the Port Officer as the chief executive officer of the port, in the same way that a Civil Surgeon is subordinate to the Collector or Deputy Commissioner of a district.

(9) Port Health Officer; Indian Ports Act, Section. 17.

It has been urged that health measures in connection with shipping are almost valueless without efficient measures on land, and Article 47 of the International Sanitary Convention recommends medical supervision of the population of the port. In India, however, there is a constitutional difficulty. Quarantine is a central subject, but public health and sanitation are provincial and transferred. On the one hand, it would not be proper for the Government of India to delegate their responsibility for carrying out their international obligations regarding quarantine and the sanitary supervision of ships, crew, passengers and cargoes. On the other hand, it is difficult to encroach on the powers of the local Government beyond the limit permitted by the Devolution Rules, *viz.*, that public health and sanitation should be subject to legislation by the Indian legislature in respect to infectious and contagious diseases. It follows that the authority of the Port Health Officer should not extend beyond the ship, and such shore facilities as are necessary for the discharge of his duties in relation to the ship. It should be the duty of the Port Health Officer to see that no ship comes or goes in contravention of the quarantine regulations, the sanitary provisions of the Indian Merchant Shipping Act and the requirements of the International Sanitary Convention. But the responsibility for sanitation on shore should remain with the local Government.

Devolution Rules, Schedule I, Part II, item 3. Indian Ports Act, Section 6 (1) (*p*). Indian M. S. Act, Sections 91, 188 and 206. Indian Emigration Act, Section 6. International Sanitary Convention.

Port health Boards, on which the Provincial and Municipal Sanitary authorities would be represented, might perhaps be constituted in order to co-ordinate sanitary measures on the ship and on shore.

The Port Health Officer would also supervise marine hospitals, where these exist.

16. A further difficulty which has been raised, is the enforcement of quarantine and sanitary regulations in minor ports, which are not administered by the Government of India but by local Governments. It is not contemplated, however, by the International Sanitary Convention that every port should be fully equipped as a sanitary station. Article 46 runs as follows:—

"It is desirable that the number of ports furnished with an organisation and equipment sufficient for the reception of a ship, whatever its health conditions may be, should be in each country in proportion to the importance of the trade and shipping. Meanwhile, without prejudice to the right of Governments to make agreement for the establishment of common sanitary stations, every country must provide at least one port on each of its seaboards with the above mentioned organisation and equipment. Moreover, it is recommended that all large seaports should be so equipped that healthy ships, at any rate, may be subjected, upon their arrival, to the prescribed sanitary measures and may not be sent to another port for this purpose. Every infected or suspected ship which arrives in a port not equipped for its reception may be sent, at its own risk and peril, to one of the ports which is open to ships of the category to which it belongs.

"Governments shall make known what ports are open to arrivals from ports infected with plague, cholera or yellow fever, and in particular those open to infected and suspected ships."

The arrival of such ships, in accordance with this article, could be restricted to major ports. Departure could be similarly restricted in cases where medical inspection is necessary.

It would still be necessary to enforce the submission of returns of infectious diseases from minor ports. This, I think, could be done by legislation by the Indian legislature; see Devolution Rules, Schedule I, Part II, item 3. The Public Health Commissioner, and also the Port Health Officer of an adjoining major port, should have powers of inspection. Power should also be taken to close a port for first entry or final departure of foreign-going ships, and of home-trade ships trading with the Straits Settlements or Ceylon.

(10) Storm warnings.

17. Weather reports and storm-warnings are sent by the Meteorological Department to the Port Officer, who is responsible for hoisting signals and com-

municating weather information to masters and others.

Coast meteorological stations, where possible, are placed under the Port Officer.

The Okara enquiry showed that the masters of ships at sea are somewhat remiss in sending the weather messages on which the Meteorological Department largely depends for its data. It should be considered whether a statutory obligation should be imposed.

18, Under Chapter VII of the Sea Customs Act, the Officer whose duty it is to grant port-clearance is the Customs-Collector. As such, he is the authority who—

Port-clearance Sea Customs Act, Chapter VII.

(1) enforces compliance with the requirements of the Merchant Shipping Acts;

M. S. Acts, *passim*.

(2) enforces payment of port-dues, light-dues, fines, and all other charges or expenses to which the ship or her owner or master is liable.

Indian Ports Act, Section 43; The Coast-lights Act; M. S. Acts, passim.

In some important ports, such as New York and Shanghai, in parts of the British Empire and elsewhere, the Collector of Customs is the chief executive officer of the port. In India, however, the Customs staff has now been transferred from the Commerce Department to the Finance Department. But there must continue to be important administrative functions which the Customs-collector will be required to perform. In the United Kingdom, the chief officer of customs is the registrar of British ships. With the consent of the Commissioners of Customs, the business of a mercantile marine (or shipping) office may be conducted at the custom house, and any officer of customs may be appointed a superintendent (or shipping master) by the Board of Trade. Again with the consent of the Commissioners of Customs, the Board of Trade may direct that the

M. S. Act, 1894, Section 4; M. S. Act, 1894, Section 246 (3); M. S. Act, 1894, Section 251 (3); M. S. Act, 894, Section 566; M. S Act 1894, Section 692 (3); M. S. Act, Section 714; M. S. Act, Section 723.

business of the Register and Record Office of Seamen at any of the outports be conducted at the custom house by some officer of customs. With the consent of the Treasury, the Board of Trade may appoint any officer of customs to be a receiver of wreck. And as in India, the officer of customs is empowered to refuse port clearance to any ship which is liable to be detained under the provisions of the Merchant Shipping Act. The authority of the Board of Trade extends even to customs officers overseas. The Board may require any officer of customs abroad to send returns and reports on any matter relating to British merchant shipping or seamen. And the chief officer of customs in any place in His Majesty's dominions is invested with powers for enforcing compliance with the Merchant Shipping Act.

Similarly in India, the Commerce Department should continue to exercise authority over Customs—collectors in certain respects, and should be able, with the consent of the Finance Department, to require them to perform certain duties. It would obviously be inappropriate if an appeal from the order of a Customs—collector refusing port-clearance, say, on the ground that the wireless telegraph installation was defective, lay to the Central Board of Revenue.

10. Legal proceedings and matters relating to shipping enquiries and courts will continue to be a provincial subject. There is no federal court exercising jurisdiction throughout India. The following Courts have been declared to be Colonial Courts of Admiralty in India :—

Legal proceedings; Indian Merchant Shipping Act, Part V, Part VI and VII; Devolution Rules, schedule I, Part II, item 17; Colonial Courts of Admiralty (India) Act, 1891.

The High Court at Calcutta.

The High Court at Madras.

The High Court at Bombay.

The High Court at Rangoon.

The Court of the Resident at Aden.

The District Court at Karachi.

Magistrates also, who exercise jurisdiction or are required to perform certain duties under the Merchant Shipping and other Acts, must, of course, be subordinate to their local Governments.

The rights of the Government of India should, however, be reserved in two matters:—

Indian M. S. Act, Section 248.

(1) The appointment of a special Court of Investigation into a shipping casualty.

Indian M. S. Act, Section 66.

(2) The suspension and cancellation of certificates of competency. This would be limited to certificates granted by the Government of India (see paragraph 10 above), and would not affect the powers of the Courts.

Port Police. Devolution Rules, Schedule I, Part II, item 32.

20. Port police, like railway police, should continue to be a provincial subject.

Shore sanitation.

21. The division between port and shore sanitation has been discussed in paragraph 15. The local corporation or municipality, which is paid rates by the Port Trust, provides the usual municipal services.

Emigration and immigration.

22. Emigration and immigration are essentially federal matters. It would not be proper for a local Government to decide who should enter or leave India, for the effect of the decision extends beyond the jurisdiction of the local Government. The issue of passports and protection of emigrants are functions which are now performed by local Governments. Constitutional developments may require some other arrangements.

Pilgrims.

23. Responsibility for pilgrims is a question which the Department of Education, Health and Lands is now discussing with local Governments. It is suggested that the proposals regarding port health in paragraph 15 above indicate a suitable division. That is, the local Government would

be responsible for the welfare and protection of pilgrims on shore. The Port Officer and the Port Health Officer would only be responsible for their embarkation and disembarkation in accordance with the requirements of the Indian Merchant Shipping Act and the International Sanitary Convention.

24. Minor ports are a provincial subject under the Devolution Rules, but are governed by the Indian Ports Act, which is an Act of the Indian legislature. There are also local Acts in the four principal maritime provinces.

Minor Ports. Devolution Rules, Schedule I, Part II, item 30. Bengal Ports Act, 1867. Bombay Landing and Wharfage Fees Act, 1852. Madras Outports Landing and Shipping Fees Act, 1885. Burma Outports Act, 1914.

The Indian Ports Act provides—

(1) for the conservancy of the port and the safety of shipping within the port;

(2) for a port fund and the levy of port-dues on the tonnage of the ship, the maximum rate for each port being specified in the first Schedule to the Act.

The local Acts in Bombay, Madras and Burma provide for the levy of fees on goods and passengers landed at or shipped from the port.

The general administration and finance of minor ports are no longer the concern of the central government. But the safety of shipping should continue to be subject to legislation by the Indian legislature. This would be in accordance with the Devolution Rules, for shipping and navigation are a central subject, including shipping and navigation in inland waterways in so far as declared to be a central subject by rule made by the Governor General in Council or by or under legislation by the Indian legislature.

Devolution Rules, Schedule I, Part I, items 5 and 6.

Matters relating to the safety of shipping should also be subject to inspection by the Director of the Mercantile Marine Department and the Port Officer of an adjoining major port.

Similarly, matters relating to Port health should be subject to inspection by the Public Health Commissioner and the Port Health Officer of an adjoining major port; see paragraph 16 above.

B.—Finance.

25. The finance for the administration of ports and shipping should be based on two principles:—

General principle.

(1) The cost of administration should be borne by shipping, *i.e.*, should be covered by receipts from dues, fees, etc.

(2) Individual ships should, so far as possible, only pay for the service or facilities actually enjoyed.

From this it follows that it is necessary to subdivide account heads to a considerable extent, according to the various classes of services or facilities which are rendered, and, where desirable, to maintain separate funds. The consolidated port-due, which has sometimes been suggested, though superficially attractive, would not be likely to work equitably and is not in accordance with the ordinary practice of port administration.

26. The finance for port administration falls under two heads:—

Port administration.

(1) Administration of Port Trust property. Tolls, dues, rents, rates and charges levied under the Port Trust Acts for the use of the Port Trust property, and for facilities and services provided by the Port Trust.

Port Trust Acts.

These dues are ordinarily levied on goods and passengers, and are paid into the Port Trust account.

(2) Conservancy of the port. Port dues levied under the Indian Ports Act on ships entering the port for the use of the port.

Indian Ports Act, Section 33 and Schedule I.

These dues are levied on the tonnage of the ship and may be periodical, *i.e.*, payable only once within a certain period. Under the provisions of the Indian Ports Act, port-dues are required to be paid into a district account, called the port fund account.

Indian Ports Act, Section 36 (2).

Where a Port Trust is conservator of the port, it is usual to maintain separate accounts, but to adjust balances. In some cases there is special legal provision for this. This procedure seems correct. On the one hand, it is impossible to separate entirely the budgets for the administration of the Prot Trust property and for the conservancy of the port. There must be overlapping. On the other hand, the distribution of revenue and expenditure should be as clear as possible. The port-dues received for the performance of the statutory duty to maintain and improve the navigation of the port and its approaches, should be distinguished from the earnings of the Port Trust property. At the same time, it should be recognised that the distribution is frequently unequal according to local conditions, and latitude should be allowed in the adjustment of balances. For instance, in Calcutta, where the conservancy of the Hooghly is a heavy charge, in 1922 23 income under the heads "Port" and "Port Approaches" was about Rs. 16 lakhs and expenditure nearly Rs. 36 lakhs. The deficit was made good from the profits of the administration of Port Trust property: for instance, receipts from jetties were Rs. 34 lakhs and expenditure Rs. 21 lakhs. Similarly, at Karachi Rs. 1·66 lakhs were contributed from general revenue to balance the port fund account. On the other hand, at Aden receipts in the port fund account exceed expenditure by Rs. 2·19 lakhs, which were transferred to the Port Trust account.

Calcutta Port Act, Section 123. Aden Port Trust Act, Section 51.

27. For the finance of the safety services, it is proposed to follow generally the United Kingdom practice. Until 1898 there was a Mercantile Marine Fund into which all receipts were paid, and on which all expenses were charged. But in 1898 the Mercantile Marine Fund was abolished except for lighting, and was reconstituted as the General Lighthouse Fund, which is administered by

Safety services. Procedure in the United Kingdom. M. S. Act, 1894, Part XII. M. S. (Mercantile Marine Fund) Act, 1898. M. S. Act, Parts XI and XII.

the Board of Trade. It was then enacted that all other receipts should be paid into the Exchequer, and all other expenses paid out of moneys provided by Parliament.

Pilotage dues in the United Kingdom are ordinarily paid direct to the pilot who earns them. But provision is also made for the pooling of pilotage dues earned by pilots in any district. The Pilotage authority is required to maintain a separate pilot fund. Provision is also made for a pilots' benefit fund.

Pilotage Act, 1913, Section 17 (1) (g) (h) and 21.

28. Following this procedure in India, it is proposed that receipts in respect of the Port Officer's staff should ordinarily be paid into central revenues, and expenses paid from demands on the central legislature. Receipts may be classified under the following heads :—

Procedure proposed for India; (1) Port Officer's staff.

(1) Registration of Ships;

M. S. Act, 1894, Section 62.

(2) Shipping office, including fees for the engagement and discharge of seamen;

Indian M.S. Act, Section 9.

(3) Survey of ships, including certification of load-line,

Indian M.S. Act, Sections 131, 137, 145 (d), 159 and 243.

(4) Examinations for certificates of competency.

Indian M S. Act, Section 21 (c) and 290 (c).

Expenditure is mainly on salaries and office charges. An examination of the provincial accounts for 1921-22 showed that revenue and expenditure roughly balanced, *viz*, revenue Rs. 3·49 lakhs and expenditure Rs. 3·62 lakhs. These figures include the fees paid for surveys and examinations under the Inland Steam-vessels Act. But as stated above, it is probable that the Port Officer's staff will continue to be employed by local Governments for these purposes. It is also clear that a good deal of inspection and

Inland Steam-vessels Act, Sections 6 (a) and 29 (1) (c).

Indian M.S. Act, Sections 154 and 155. Indian M.S. (Amendment) Bill, Section 10; Indian M. S. Act, Section 214.

other work for which fees might reasonably be charged, is now done free by the Port Officer's staff: for instance, the issue of A and B certificates for native passenger and pilgrim ships; inspection of wireless telegraphy apparatus, for which provision is being made in the amendment Bill now before the Assembly; inspection of lights and fog-signals; and so on. There are also salvage and sale of unclaimed wreck. Details can only be ascertained by local enquiry. It will be necessary to make legislative provision for the recovery of fees for all services rendered by the Port Officer's staff.

29. The Indian Ports Act excludes receipts and expenses on account of Pilotage from the port fund account. The Port Trust Acts for Bombay, Madras and Rangoon contain special provisions for a separate pilotage account; and except in Calcutta, where the Bengal Pilot service is under the local Government, there is a separate pilotage account in the accounts of all Port Trusts. This system should be continued. It is a sound and accepted principle of port administration, firstly, that pilotage should pay for itself; secondly, that shipping should pay no more than the pilotage actually costs.

(2) Pilotage fund. Indian Ports Act, Section 36 (4) (5); Bombay Port Trust Act, Section 47; Madras Port Trust Act, Section 93; Rangoon Port (Amendment) Act, 1922, Section 4.

There would be, as at present, a separate pilotage fund for each port. Where the right of maintaining pilots is vested in the Port Trust, the fund would be administered by the Port Trust, or, as at Rangoon, by a specially constituted Pilot Board. Where the pilots are directly under the Port Officer, the fund would be administered by the Commerce Department, acting through the Director of the Mercantile Marine Department, and assisted perhaps by an advisory Pilot Board.

The fund should be a real separate fund, not merely a *pro forma* account.

Pilotage dues are ordinarily levied according to tonnage and draught.

(3) Lighthouse fund.

30. Lighting in India is now financed as follows:—

(1) Port lights, from port-dues levied on the tonnage of the ship under the Indian Ports Act and paid into the port fund for the conservancy of the port;

Indian Ports Act, Section 36 (5) (*b*).

(2) Coast lights, from coast-light dues, also levied on the tonnage of the ship, under the Coast-lights Acts. There are also a few coast lights, including False Point and Perim, which are not covered by any Act and are maintained out of central revenues.

Madras Coast-lights Act, Section 3; SindCoast-lights Act, Section 3; Burma Coast-lights Act, Section 4.

As explained in paragraph 26, the port fund is administered by the conservator of the port, that is, in major ports by the Port Trust.

Coast-light dues, except in Madras, are paid into central revenues, and expenses are paid from demands on the central legislature. Local Government maintain *pro forma* accounts, which have not always been satisfactory. In Madras however the coast lights have been administered by the Local Government as separate fund through the Port Officer of Madras. The Madras lights are self-supporting and are generally admitted to be the most efficient in India.

31. Under the scheme now proposed, port lights will continue to be a charge on the port fund. For coast-lights it is proposed to follow the United Kingdom procedure and form a general lighthouse fund for the whole of India, which would be administered by the Commerce Department, acting through the Director of the Mercantile Marine Department, and assisted perhaps by an advisory Committee. The advantages of a separate fund are:—

(1) Administration, as shown in Madras, is more active and efficient.

(2) Lights are paid for in full by the shipping which uses them. On the other hand, shipping gets the full services for which it pays.

(3) A separate fund and the dues payable thereto can be mort-
M. S. Act. 1894, Sections 662, 663. gaged, as in the United Kingdom, for capital expenditure. Fresh construction and other improvements, which shipping requires and for which shipping is willing to pay, are not dependent on the exigencies of Government finance or a vote of the Assembly.

It is anomalous that dues for the maintenance of port lights should be credited to a separate fund, but coast-light dues to central revenues. It is as important, or more important, that the administration of coast lights should be unhampered.

A single central fund is preferable to a number of local funds for the following reasons :—

(1) Shipping does not move in provincial compartments. Passing ships may not touch at any port in the province whose lights they use. Administratively it is not convenient that the light dues for Madras lighthouses should be collected in Bombay, or for Burma lighthouses in Calcutta.

(2) Efficiency and economy in lighthouse administration depend on highly skilled inspection and co-ordination of experiments, which frequently lead to large savings in methods of lighting. A central fund can bear the cost of inspection and experiment, but a number of small local funds cannot.

(3) A central fund can meet the cost of fresh construction, which may be in the general interests of shipping but beyond the means of a provincial fund.

(4) The supervision of a single central fund is simpler and more effective than the supervision of a number of local funds.

(5) The formation of a single central fund would make it possible to abandon the toll system of separate payments for each lighthouse or group of lighthouses which a ship passes, and adopt the simpler system which was introduced in the United Kingdom in 1898, namely payment by voyages or periodical payment.

M. S. (Mercantile Marine Fund) Act, 1898, Section 5.

32. In the United Kingdom light dues are now levied on the following basis:—

M. S. (Mercantile Marine Fund) Act, 1898, Schedule II.

A fixed rate per ton per voyage, distinguishing:—

(*a*) Sailing ships and steamers;

(*b*) Home trade and foreign-going ships;

and subject to the following limits:—

(*i*) For a home trade ship, for not more than 10 voyages in any year;

(*ii*) For a foreign-going ship, for not more than 6 voyages in any year.

The voyage of a home trade ship is reckoned from port, but it is not required to pay dues for more than 3 voyages in one month.

The voyage of a foreign-going ship is reckoned from the first port of lading in the United Kingdom when trading outwards, and to the last port of discharge in the United Kingdom when trading inwards.

There is already in force in India, for the Sind coast lights, an even simpler method, namely, a flat rate per ton for every ship arriving at or clearing out of any port in Sind, subject to a periodical limit of not more than one payment in 30 days.

Sind Coast-lights Act, 1915, Section 3.

The precise adaptation which would be most suitable to Indian conditions, is a matter for discussion with the interests concerned.

33. Payments from the general light-house fund to the local lighthouse authorities would be sanctioned by the Commerce Department, just as in the United Kingdom payments to Trinity House, the Commissioners of Northern Lighthouses and the Commissioners of Irish lights are sanctioned by the Board of Trade.

M. S. Act, 1894, Part XI; Report of the Royal Commission on lighthouse administration — paragraphs 16 and following.

Payments from the general lighthouse fund would ordinarily be for the maintenance of coast lights only. But grants might be made to conservators of ports in respect of port lights which are also marks for passing trade.

34. The Indian Ports Act provides for the levy of hospital port-dues on the tonnage of vessels entering the port. Receipts may be supplemented by a contribution from the port fund, and are administered as a separate fund. The fund may be applied—

(4) Port health fund; Indian Ports Act, Section 49; Indian Ports Act, Section 36 (5) (*d*); Indian Ports Act, Section 56.

(1) to the support of any public hospital suitable for the relief of seamen requiring medical aid;

(2) for providing sanitary superintendence and medical aid for the shipping in the port and for the seamen belonging to vessels therein, whether ashore or afloat.

The existence of this fund ensures that the Port Health Officer has a regular income for expenditure on medical relief and sanitation and that the dues levied on shipping are expended on the objects for which they are intended.

All receipts under the head Port Health, including fees for medical inspection, quarantine and such sanitary measures as deratisation, should be credited to this fund. The fund should be administered

by the Department of Education, Health and Lands, through the Director General, Indian Medical Service, and assisted perhaps by Port health Boards. It is for consideration whether there should be a local fund for each port, or a general fund for the whole of India.

Storm warnings.

35. The cost of issuing weather reports and storm-warnings is borne on the budget of the Meteorological Department, and no special dues are levied on shipping. The Meteorological Department is maintained for the benefit of the community as a whole, and there is no sufficient reason to levy a special charge on any particular section. Nor would it be proper to require weather messages from ships at sea, and at the same time to demand payment for the storm-warnings which are largely based on such messages. There should be reciprocity.

Customs-collectors.
M. S. Act, 1894, Section 718.

36. No special charge is levied on shipping for the administrative work which is done by customs-collectors, more especially in respect of port clearance. In the United Kingdom also, all expenses incurred by the Commissioners of Customs in carrying into effect the provisions of the Merchant Shipping Act are considered as expenses having reference to the revenues of customs.

Legal proceedings. Devolution Rules, Schedule I, Part II, item 17

37. Legal proceedings, etc., should be covered by court fees, but are in any case a provincial subject.

Port police; Devolution Rules, schedule I, Part II, item 32.

38. Police is also a provincial subject. But it may be regarded as reasonable in some cases that Port Trusts should contribute to the cost of port police, just as railways may be required to contribute to the cost of railway police.

Calcutta Port Act, Sections 133, 134

At Calcutta, there are now special provisions of the Calcutta Port Act for the payment of the port police force by the Port Trust.

Under the Bengal Ports Act, the local Government can order that the expense of maintaining the police force in any port which may be within or abutting upon any municipal town, should be borne either on the port fund or by special police port dues levied on any ship lying in the port.

Bengal Ports Act, 1867, Sections 8 and following.

In Madras, there is a local act to provide for the maintenance of a special police force in the ports of the Presidency for the security of the traffic between the shore and shipping. The cost of maintenance is levied on the owners of shore boats at a fixed rate per trip.

Madras Ports Police Act, 1881.

It is desirable that there should be some limit on the power of local Governments to levy such charges on shipping, at any rate in major ports. It is suggested that, as in the case of railway police, the powers of the local Government should be subject to such conditions as regards contributions to cost of maintenance as the Governor General in Council may determine.

Devolution Rules, Schedule I, Part II, item 32.

39. The cost of shore sanitation is covered by rates paid by the Port Trust to the local Corporation or municipality, sometimes on a special assessment and subject to the decision of the local Government.

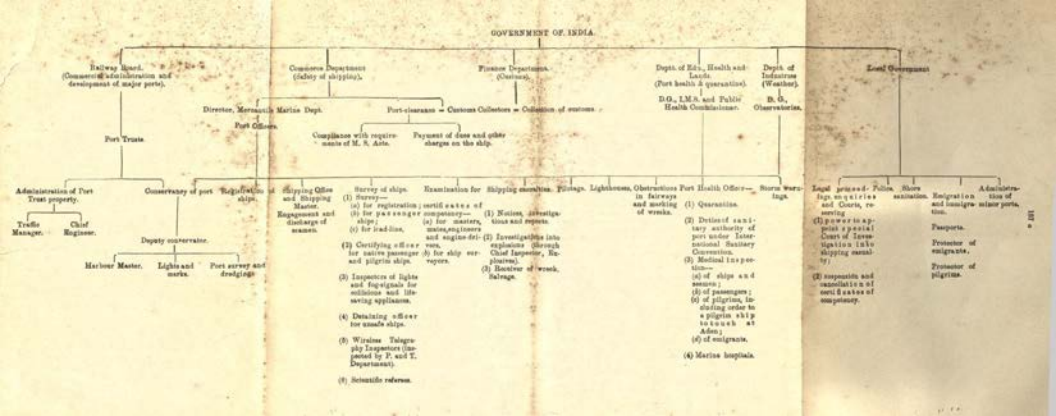
Shore sanitation. Calcutta Port Act, Section 59; Bombay Port Trust Act, Section 36; Karachi Port Trust Act, Section 28-A.

Here again it is desirable that there should be some limit on the power of the local authority to levy taxation on the port. As in the case of railways, the Governor General in Council should have power to determine what is fair and reasonable.

Indian Railways Act, Section 135.

In Madras the Port Trust is exempt from municipal taxation.

Madras Port Trust Act, Section 34.


GOVERNMENT OF INDIA.
Railway Board. (Commercial administration and development of major ports).
Commerce Department (safety of shipping).
Finance Department. (Customs).
Dept. of Edn., Health and Lands. (Port health & quarantine).
D.G., I.M.S. and Public Health Commissioner.
Dept. of Industries (Weather).
D. G. Observatories.
Local Government.
Director, Mercantile Marine Dept.
Port Officers.
Port Trusts.
Port-clearance = Customs Collectors = Collection of customs.
Compliance with requirements of M. S. Acts.
Payment of dues and other charges on the ship.
Administration of Port Trust property.
Traffic Manager.
Chief Engineer.
Conservancy of port.
Deputy conservator.
Harbour Master.
Lights and marks.
Port survey and dredging.
Registration of ships.
Shipping Office and Shipping Master. Engagement and discharge of seamen.
Survey of ships.
(1) Survey—
(a) for registration;
(b) for passenger ships;
(c) for load-line.
(2) Certifying officer for native passenger and galley ships.
(3) Inspectors of lights and fog-signals for collisions and life-saving appliances.
(4) Detaining officer for unsafe ships.
(5) Wireless Telegraphy Inspectors (appointed by P. and T. Department).
(6) Scientific referees.
Examination for certificates of competency—
(a) for masters, mates, engineers and engine-drivers;
(b) for ship surveyors.
Shipping casualties.
(1) Notices, investigations and reports.
(2) Investigations into explosions (through Chief Inspector, Explosives).
(3) Receiver of wreck. Salvage.
Pilotage.
Lighthouses, Lightships, Beacons and Buoys.
Obstructions in fairways and marking of wrecks.
Port Health Officer—
(1) Quarantine.
(2) Declared sanitary authority of port under International Sanitary Convention.
(3) Medical inspection—
(a) of ships and seamen;
(b) of passengers;
(c) of pilgrims, including order to a pilgrim ship to touch at Aden;
(d) of emigrants.
(4) Marine hospitals.
Storm warnings.
Legal proceedings and enquiries and Courts, reserving
(1) power to appoint special Court of Investigation into shipping casualty;
(2) suspension and cancellation of certificates of competency.
Police.
Shore examination.
Emigration and immigration.
Administration of emigration ports.
Passports.
Protector of emigrants.
Protector of pilgrims.

40. Payment for agency services in connection with emigration and immigration, passports and pilgrims is a matter for arrangement between the local Government and the Departments of the Government of India concerned.

Emigration and immigration

41. Minor ports, where there is no Port Trust, are financed by port-dues levied under the Indian Ports Act, and sometimes also by the levy of fees on goods and passengers. See paragraph 24 above.

Minor ports. Indian Ports Act, Section 33.

The finance of minor ports is now a provincial concern, except in so far as the Government of India may be required to take over the liabilities of any port which in the future may be declared to be a major port. It does not seem desirable to assert any formal control over the finance of minor ports on account of this contingent liability. The remedy is to refuse to declare any port to be a major port, if its finances are unsound.

Devolution Rules, Schedule I, Part II, item 30.

No. T.-1214, dated 1st October 1924.

From Chamber to the Offg. Port Officer of Bombay.

I am directed to acknowledge receipt of your letter of the 29th ultimo, No. 34-2718 of 1924, and to inform you that the views of my Committee will be sent after my Committee have discussed the question with the Secretary, Department of Commerce, Government of India, who is expected here by the middle of this month.

No. 34-2864, dated 13th October 1924

From the Offg. Port Officer of Bombay to Chamber.

Subject—Ports and Shipping—Administration of—Proposed Scheme for, by the Government of India.

I have to invite your attention to this Office letter No. 34-2718, dated 29th September 1924 on the above subject, and to request the favour of an early reply observing that the Government is pressing for the submission of your views immediately so that they may receive due consideration before the date fixed for the Conference.

No. T.-1276, dated 16th October 1924.

From Chamber to the Offg. Port Officer of Bombay.

I am directed to acknowledge receipt of your letter of 13th instant, No. 34-2864. As mentioned in my letter of 1st instant No. T-1214, my Committee are awaiting the arrival of the Secretary, Department of Commerce, Government of India, who is expected here shortly. It will not be possible therefore for my Committee to reply to your communication before the 15th November.

No. 34-2926, dated 17th October 1924.

From the Offg. Port Officer of Bombay to Chamber.

Subject—Ports and Shipping—Administration of—Proposed Scheme for, by the Government of India.

In reply to your letter No. T-1276 of the 16th instant, I have to advise you that unless your Committee forwards an expression of their views to me in the course of next week their views may be received too late for consideration by Government.

In this connection I may point out that it is the view of your Chamber that is now desired by Government for their consideration and not the views of the Secretary of the Department of Commerce who has doubtless expressed his views on the subject in another place.

No. T-1298 dated 20th October 1924.

From Chamber to the Government of Bombay, Marine Department, Poona.

My Committee are surprised at receiving communications from the Port Officer of Bombay on the proposed scheme for the administration of ports and shipping by the Government of India, as all such communications were otherwise received from your Department. My Committee wrote in reply to the letter of the Port Officer dated the 29th September 1924, that their views would be sent after they had discussed the question with the Secretary, Department of Commerce, Government of India, who was expected here. To a reminder from the Port Officer the same reply was sent and it was added that it would not be possible for my Committee to reply before 15th November. In reply to this letter the Port Officer thought it fit to advise my Committee that unless they forwarded an expression of their views in the course of next week their views might be received too late for consideration by Government. He also thought it fit to make the following gratuitous observation "it

is the view of your Chamber that is now desired by Government for their consideration and not the views of the Secretary of the Department of Commerce who has doubtless expressed his views on the subject in another place." My Committee should have been expected to know this. Government cannot be unaware of the fact that it is not at all unusual for Chambers of Commerce to discuss important questions with members of Government before they come to any conclusions with regard to the same.

No. 831-M dated 23rd October 1924.

From the Government of Bombay, Marine Department, Bombay to Chamber.

With reference to your letter No. T-1298, dated the 20th October 1924, I am directed by the Governor in Council to express regret that the Chamber were not asked by this Department to communicate their views to Government on the proposed scheme of the Government of India for the administration of Ports and Shipping, and to say that the Governor in Council will be glad to receive their views now.

No. T-1347, dated 10th November 1924.

From Chamber to the Government of Bombay, Marine Department, Bombay.

With reference to the Port Officer's letter of the 29th September 1924, No. 34-2718, and your letter of the 23rd October last No. 831-M, the enclosure of the former has now received the consideration of my Committee, who note that the Government of India wish the control of Port Trusts all over India to be transferred to them instead of being allowed to continue with local Governments as at present, acting as agents of the Government of India. Whilst recognising that there may be a good deal to be said technically for uniform control of all the major Ports of India, my Committee

cannot overlook the fact that the prosperity of the City of Bombay is very much dependent on the proper administration of the Port of Bombay and generally speaking on the development of the trade and commerce of Bombay. There are obvious disadvantages in the control of such an important factor in the prosperity of Bombay being transferred from Bombay to distant Simla or Delhi. The close knowledge of the local Government of the requirements of the trade and commerce of Bombay on the spot and easy access which the Executive and the Commercial Community have to the local Government in Bombay, would both be missing with the control of the Port Trust of Bombay being transferred to the Government of India, who can excercise such control only from Delhi and Simla, which means loss of touch to the Executive and the commercial community with the Government.

2. My Committee realise that under Devolution Rules of the Government of India Act the Government of India have control over all Port Trusts. Looking however to the fact that the administration of these was given to the local Governments from their very establishment and even since the enactment of Devolution rules under the Government of India Act four years ago, and that it has been carried on so far without any serious complaint, my Committee are most strongly opposed to the administration of Port Trusts being now taken away from the hands of local Governments by the Government of India.

3. My Committee feel that it would be difficult to enforce uniformity of working at all the various Ports as local conditions and to a certain extent even custom would differ in each Port. My Committee trust however that the Government of India will get some sort of uniformity in all these Ports under their powers, even while leaving the actual working to their agents *viz.* Provincial Governments.

4. With reference to the arrangements sketched out in the chart accompanying the scheme, my Committee fear that placing of the differenactivities of the Port Trust under different Departments of

the Government of India will merely lead to complication, inefficiency and disorganisation, and also inconvenience to the commercial community and the general public by causing delay in the disposal of various questions. It is even on these grounds preferable that the administration of Port Trusts should be carried on by one Department of the Local Government rather than by four separate Departments of the Government of India, with not much effort at co-ordination.

5. The Trustees at the various major Ports represent interests directly concerned in the good management of each Port, and my Committee trust that the Government of India will recognise the urgent necessity for more responsibility being entrusted to such bodies. Whilst thus indicating more responsibility to be entrusted to Port Trust Boards at various major ports than at present, my Committee wish to draw the attention of the Government to the serious defect existing at present in the representation of the Indian commercial community at the various major Ports.

6. My Committee urge that efforts should be made by the Government of India in the matter of having Indian majority in all Port Trust Boards. It is a matter of the deepest regret that the constitution of Port Trusts remains hopelessly out of date and is not touched by that new spirit which provides for Indianisation everywhere. Even though Indian legislatures have their constitution and franchise broadened as a first step to Self-government, Port Trust Boards have remained unaffected. Even in the Port Trust of Bombay there is no Indian majority while on the Port Trust of Calcutta there are only two Indians. Provincial Governments being merely agents of the Government of India under Devolution Rules the latter can insist on these changes being made in Port Trust constitutions. It may also be mentioned that the various Port Trusts in India at present carry the reputation of being most conservative in their ideas of Indianisation of the various services in each Port Trust, and it is clear that such a policy cannot be allowed to continue any longer.

APPENDIX 18.

STATUTORY RULES REGARDING THE LOADING OF VESSELS IN THE BAY OF BENGAL.

No. 6550 dated 29th November 1923.

From the Government of India, Department of Commerce to Chamber.

The Court of investigation, appointed by the Government of Bengal under section 248 of the Indian Merchant Shipping Act, to enquire into the circumstances attending the loss of the S. S. Okara, recommended that the rules relating to the period for Indian Summer should be reconsidered, and the protected period made to cover the whole of May and November. The Government of India are considering what action should be taken on this recommendation, and I am to invite the views of the Indian Merchants' Chamber.

2. The recommendation followed from the finding of the Court on second question which was referred to it, *viz*:—

"Was the vessel properly loaded in accordance with the existing rules regarding freeboard etc.? Was she overloaded and, if so, to what extent?"

The Court summarised its finding on this question as follows:—

"The answer to question two is also in the affirmative, if 'overload' is taken to refer to rules regarding freeboard, etc. If it is taken in a larger sense, this involves a much wider question, for which we have not sufficient materials to afford a proper answer. We can say that the *Okara* was overloaded in the sense that had she been more lightly loaded she would have probably weathered the storm she met."

3. The periods for the purpose of the Statutory Rules regarding the loading of vessels in the Bay of Bengal now are :—

Summer.—from the 26th May to 14th November.

Indian Summer.—from the 15th November to the 25th May.

During the "Summer" period the maximum loadline is the centre of the disc. During the "Indian Summer" period an additional load is permissible, which in the case of the Okara was 5¼ inches above the centre of the disc. The months during which cyclones are most frequent in the Bay of Bengal are May, October and November.

4. The finding and recommendation of the court, when read together might be taken to suggest that the extension of the Summer period so as to cover the whole of May and November would be an adequate protection against cyclones. Clearly, however, it would be incorrect to regard the Summer period as a "protected period" against cyclones. As the Court has pointed out in another place, if the loadline is to be fixed so as to be safe against cyclones, the freeboard ought to be increased by about two or three feet. The Court rightly says that the Statutory loadline is necessarily a compromise between two conflicting interests, the interests of safety and the interests of commerce. It has now to be considered whether the interests of safety require that the Statutory Rules should be modified for the cyclonic period, and if so, to what extent.

5. Another factor which may be of vital importance in cyclonic weather, is speed. Many of the witnesses examined by the Court stated that, in their opinion, a vessel loaded as the Okara was and *having her speed* would be unlikely to weather a storm such as that in which she foundered. It is for consideration, therefore whether the speed of a vessel should also be taken into account in fixing the loadline for the cyclonic period.

6. To sum up, the questions on which the opinion of the Indian Merchants' Chamber is invited, are :—

(1) Should the Statutory Rules regarding the loading of vessels be modified so as to provide for the cyclonic period, *i. e.* May, October and November, in the Bay of Bengal?

(2) If so, what form should such modification take?

No. T-63, dated 14th January 1924.

From Chamber to the Government of India, Department of Commerce, Delhi.

With reference to your letter No. 6550, dated the 29th November 1923, my Committee are of opinion that it is desirable to include the months of May and November in the Statutory rules regarding the loading of vessels in the Bay of Bengal.

(B) CURRENCY, EXCHANGE AND FINANCE.

(A) CURRENCY & EXCHANGE.

APPENDIX 19.

EXCHANGE AND SALE OF GOLD FROM THE CURRENCY RESERVE.

No. T-46 dated 10th January, 1924.

From Chamber to the Government of India, Finance Department, Delhi.

In reply to my letter No. T.-1351,* dated the 10th December, 1923, reminding you of my Committee's telegram dated the 16th

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* For previous correspondence, vide Chamber's Annual Report for 1923, pages 168–171.

November last protesting against the proposed sale of gold from the Currency Reserves, you, in your letter No. 1686–F. dated the 14th December 1923, refer us to the speech of the Hon'ble the Finance Member, Sir Basil Blackett, at the Conference of the Associated Chambers of Commerce on Tuesday, the 4th December, 1923.

2. My Committee have accordingly carefully perused this speech for a satisfactory reply to their various representations, particularly on the subject of the restoration of the pre-war ratio of the rupee and on the subject of the sale of gold from the Currency Reserve.

3. As the latter has been the subject of my Committee's most recent representation they shall take it up first. The Honourable Member for Finance has been good enough to state categorically that "the goal towards which we are all working is of course a gold standard." The Indian Merchants' Chamber have consistently advocated the establishment of a real gold standard (not the Gold Exchange Standard) and they, therefore, welcome this definite pronouncement of Government Policy. They are, therefore, all the more surprised to see that the best way the Government of India can think of, of establishing such a gold standard was to deprive India of such little gold in its Currency Reserve as it had by lucky accidents been able to get together. My Committee have carefully noted the four reasons adduced in support of the present action, viz :—

1. Conversion of non-interest bearing into interest-bearing asset.
2. Increase of sterling assets by sale price of gold and the interest earned and the consequent avoidance of sterling borrowings.
3. Improving the gold value of the rupee and thereby hastening the day when we can fix the gold value of the rupee.
4. Securing for the Indian tax-payer the present premium on gold with the almost certainty that at a later date we shall, if need be, be able to replace the gold at a cheaper price.

My Committee wish to re-iterate their most emphatic protest against all these propositions. The Gold in the Currency Reserve is not an asset of the Government or even of the tax- payer to do what they like with it. It is held in trust on behalf of the holder of the Note. If there are so many and varied advantages in the conversion of gold into securities India may very well ask why England is foregoing all these immense advantages. In February 1920 when the cross rate was as low as about 3·20 the Bank of England held in its Issue Department £.103 million in gold and there was a further £.28½ million in the Treasury Note Reserve. If all this gold had been then sold it would have resulted in the enormous profit of some £.68 million.

4. Apart from this, the total proceeds, some £.199 million, could have been invested in British war Loan and brought in an annual income of £.10 million. The Bank of England could surely have been certain that England would one day go back to pre war par and then all this gold sold in 1920 could be replaced very much cheaper. The British tax-payer would no doubt have been also highly gratified at this windfall from the Currency Reserves. And yet, England steadfastly refused to be tempted. It jealously guarded all its gold. Nay it went further. It went on adding to this Reserve from month to month and year to year as will be seen from the following figures :—

Coin & Bullion held by the Bank of England.

January	...	... 1918	...	50	Million
„	...	... 1919	...	80	„
„	...	... 1920	...	91	„
„	...	... 1921	...	128	„

(*N. B.*—The Cross Rate was weakest between January 1920 and January 1921, i. e., it was most expensive to add to the Gold Reserve and yet another 37 million were added even during thi period.)

5. It is well to bear in mind that for most of the time gold was at a great premium of anything from 25 to 50 per cent. over sterling and yet the Bank of England did not flinch from the sacrifice, but kept piling up its Reserves. My Committee are strongly of opinion that the action of the Bank of England was only what one could expect from the staunchest champions of a sound Currency and the present action of the Indian Government is, in the opinion of my Committee, entirely retrograde and unsound from the Currency point of view. My Committee will be interested to know if the Bank of England authorities were consulted before Government decided to dissipate the gold in the Indian Currency Reserves. If they were consulted, will Government be pleased to publish the views they gave on this question ?

6. My Committee do not overlook the fact that in order to show how comfortably we can part with the gold Sir Basil Blackett has made much of our various Reserves. They will now take up the hypothetical statement of an European Bank of issue that was circulated with the speech of the Honourable Member. My Committee are very much afraid that the way in which the various assets are mixed up for the express purpose of showing a very ample cover to our Note Issue would not be endorsed by the Bank of England. They consider it entirely wrong and unsound to show the balances of the Secretary of State as one of the Reserves at the back of the Note issue. The Reserves behind a Note issue are only those Reserves authorised by law against which such Notes were actually issued. Government balances whether debit or credit should have nothing to do with such Currency Reserves. If such things were permissible what is to prevent the British Cabinet from pouncing on the Reserves of the Bank of England to pay England's debt to America ? It is the sacredness in which their Currency Reserves are held and the jealousy with which they are guarded that is at the bottom of the stability of English currency and English credit. In this country unfortunately currency funds and the balances of the Secretary of State are constantly mixed up and the muddled state of our currency system and currency policy is due to a considerable extent to such mix-up but my Committee had hoped to see the dawn of a better and sounder state of things under

a Finance Member well-versed in English currency traditions, but they have been sadly disappointed.

7. The next item on which great emphasis has been laid as a Reserve on this would-be "Gold Standard Country" is its 99 crores of silver. But what is this silver? The Finance Member has himself been good enough to tell us that "the silver rupee is realy a note printed on silver," so that our 180 crores of notes in issue have 99 crores of these other Notes behind it, which would not be accepted in the international market at their face value. They may beguile the Indian ryot, but to put this Reserve on a par with gold as a backing to the Note issue is really to trifle with this most important question.

8. The next Reserve referred to is the £ 40 million in the Gold Standard Reserve which in spite of Indian insistence to the contrary is kept in paper instead of in gold as it ought to be. It is this £ 40 million turned into 60 crores that enable the Honourable Member to claim that our reserves are far greater than our liability on the Note Issue. But Sir Basil Blackett has evidently over-looked perhaps the 300 crores of the other Notes—the Notes printed on silver—that also circulate in the country and of which a considerable part may in a crisis clamour for conversion into international money.

9. Even taking it at its best this immense reserve is not gold but paper and the Government are now attempting to convert still more gold into paper, viz., the £ sterling which may go to 3·20 for aught we know. The forces acting against the £ sterling have been admirably put by Sir Basil Blackett himself. He says:—

> "You know very well the difficulties which England is facing at the present moment. On the one hand, the payment of the American debt involves a direct burden on the exchange of which the full effects have yet perhaps to be appreciated on both sides of the Atlantic. On the other hand, internal resources are being strained by yet another winter of unemployment. A large and influential body of

> opinion in England would favour the deliberate adoption of the policy of inflation more or less thinly disguised; and it is possible that, in spite of warning examples on the Continent of Europe, the limit of endurance may be reached at which financial principles will be sacrificed in the hope of relieving present distress. What then? England sets her foot upon the slippery path which leads, according to the Brussels Conference, to an everlasting bonfire of currency notes."

And yet it is for this £ sterling that we are to sacrifice our Gold Reserves. It will not be surprising if the world begins to look more doubtfully than ever upon the stability of Indian Currency.

10. My Committee will now come to the next most important issue raised by them viz., Reversion to the pre-war ratio in our Coinage and Paper Currency Acts.

Sir Basil Blackett has been candid enough to admit that the rate of 2 sh. is fictitious and yet he thinks it does no harm. He thinks there is an analogy in the difference between the statute and market values of the rupee and the franc and nobody objects to the discrepancy in the case of the franc but this analogy is misleading. France has not changed its pre-war gold parity and it still dreams of getting back to the pre-war parity while in India the parity was raised by 50 per cent. Such a change in the unit of value is a fraud on all producers and all debtors and my Committee object to allowing this fraud to continue on the Statute Book. What they want is that the hurried legislation of 1920 be reversed and the *status quo ante* restored. My Committee are against all manipulation and once the ratio is restored to what it was upto September 1920, in our Statute books, they will be content to let natural forces do their work just as now. If the mention of a 2 sh. ratio on the Statute Book is as innocent as it is made out to be, it is difficult to understand the great solicitude of all the European Chambers of Commerce to prevent any reversion to the pre-war ratio on our Statute books. These important Commercial bodies know what they

are aiming at. They no doubt hope—it is perhaps a forlorn hope—that some economic upheaval like that of 1920 might enable the 2 sh. rate to be yet made good and thereby give a most powerful impetus to foreign imports. If the Government are really of opinion that the mention of a given ratio in the Coinage and Currency Acts is harmless, why do they oppose any reversion to the 16 d. ratio in these Acts?

The attitude of Government to this question appears to us all the more extraordinary in view of the advice Sir Basil Blackett himself gave to the world as Chairman of the Committee of experts attached to the Financial Commission at the International Economic Conference at Genoa in April—May, 1922. He and his eminent colleagues then laid down that—

(*a*) There are undoubted advantages to be obtained by a return to pre-war parity.

(*b*) a considerable service will be rendered both to its own internal economy and to the cause of European recovery by that country, which, after reaching comparative stability at a point far below the old parity, first decides boldly to set the example of securing immediate stability in terms of gold by fixing a new gold par *at or near the figure at which comparative stability has been obtained.*

If there are undoubted advantages in a return to pre-war parity why does the Honourable Member hesitate in the case of India? If to fix a new gold par at or near some figure at which comparative stability has been reached (even though it be much below the pre-war) is so meritorious why does the Honourable Member decline to do it in the case of India which has not only reached comparative stability but has reached it at or near the pre-war par as can be seen by a most casual glance at the graph of Exchange rates published by the Labour Bureau!

With all due deference to Sir Basil Blackett's opinion my Committee do not agree with his view that the ratio named in the Coi-

nage and Currency Acts is harmless. My Committee are on the contrary of opinion that it is the greatest stumbling block in the way of the automatic working of our currency and that if the old ratio is restored on the Statute Books it will immediately tend to stabilize the Rupee, because it will provide the basis on which bankers can import international money (Gold) and convert it into local currency. On the basis of a cross rate of 4·37 this would be when our Exchange touched 1 sh. 6 d. All further rise of the rate would be automatically stopped, internal currency would automatically expand to the extent necessary and incidentally our Reserves of Gold would be strengthened. While this would be the upper limit, our trade would take care of the lower limit, and the position would tend to stabilise itself without any manipulation on the part of Government. Sir Basil Blackett has raised an unnecessary Frankinstein by imagining that what the Indian commercial community wants is stability at 1 sh. 4. d. *sterling*. On this supposition he had tried to explain what dire things may happen to India if the £ goes downhill in certain eventualities quoted earlier (See para 9). My Committee would point out that in the only two Acts relevant to this question the £ *sterling* is never mentioned. The ratio of the rupee is put down therein as equal to so many grains of *gold* or as so many rupees to a *sovereign*. In other words we have been always linked to gold, never to the paper pound, and in all their representations my Committee have spoken of 16d. gold and of the pre-war ratio. They have never meant and do not mean that we should attach ourselves to *Sterling*. What they want is that the ratio be restored in the two Acts to where it stood before September 1920 and they consider that Exchange may then be safely left to take care of itself without any manipulation whatsoever. At present there is constant manipulation, but the experiences of 1920 have convinced the commercial community that trade and industry cannot feel safe until all manipulation by Government is done away with and our currency placed once more on an automatic footing.

11. My Committee would be loth to refer to these disastrous experiences of 1920 and would be glad to let by-gones be by-gones, but unfortunately Government will not allow it to be done. They

object to any reference to Reverse Bills, but they still continue to make use of such bills the effect of which can only be to rig up Exchange. It is done in a way that may pass unnoticed by the layman, but the £ 8 million odd that was paid out to the Secretary of State from the Currency Reserve and notes cancelled here for its equivalent in the past two years was nothing more nor less than a sale of Reverse Bills to the Secretary of State. My Committee most respectfully urge that all such methods of artificially rigging up Exchange be now given up.

12. In conclusion, my Committee would beg to emphasise that its representations and criticisms are not made from any merely political motives but have always for their object the placing of the country on a sound gold standard at the earliest possible date and that they think it their bounden duty to keep a most watchful eye on all measures that derogate from this object of vital economic importance.

They regret that any question of political motives should be brought in to prejudice the issue. Sir Purshotamdas Thakurdas in his speech as President of the Chamber at its annual meeting in February 1923 has already given a reply to such a charge and my Committee beg to most emphatically repudiate this fresh charge. They cannot but regret that such a responsible Officer of the Government of India as the Honourable the Finance Member should have thought fit to repeat no better argument than such an allegation and they are sure such a hackneyed and well-exposed effort at prejudicing a just and fair difference of opinion at best between him and this Chamber will never weigh with the thinking section of the public. The question of Currency and Exchange is one that concerns the well-being of an overwhelming majority of India's millions, viz. all its producers and manufacturers and can most seriously affect them for well or ill; it is therefore perhaps the most fundamental question in any consideration of India's economic well-being and my Committee will not be deterred by any such unwarranted allegation of political motives from what they conceive to be their duty to the country in general and to the commercial community in particular.

No. 254–F, dated the 25th January, 1924.

From the Government of India, Finance Department to Chamber.

Subject:—Indian Currency and Exchange.

I am directed to reply to your letter of the 10th January on the subject of the speech on Indian Currency and Exchange delivered by the Hon'ble the Finance Member in Bombay on the 4th of December last.

2. Two separate subjects are treated in the letter under reply, namely the restoration of the pre-war ratio of the Rupee to gold, and, secondly, the recent sale of gold from the currency reserve. The first of these subjects is introduced by a criticism of the existing statutory ratio of 2s. which your Committee regard as "a fraud on all producers and all debtors". This criticism appears to ignore the fact that the 2s. rate is inoperative and the express disclaimer of the Finance Member that the Government have any intention of forcing up the exchange value of the Rupee with a view to making that rate effective. In actual practice no produce is ever paid for and no debt is ever discharged at the statutory rate. Nor does the argument hold good which takes the form of a reference to the resolutions of the Genoa Conference. In its proper context, the meaning of the passage which you quote is clearly this, that although for such countries as England, Holland, Switzerland and Sweden an eventual return to pre-war gold parity was probably both possible and desirable, countries with severely depreciated currencies, such as France, Belgium, Italy, Germany and Poland, would clearly have to reconcile themselves sooner or later to explicit devaluation. This recommendation has in fact already been put into force in Austria, and it is now reported that at a recent Conference of the Baltic States this necessity was recognised and accepted. There is no question in India of reducing the Rupee to some fraction of its gold value before the war.

3. But the main argument of your Committee for restoring the statutory ratio of 1s. 4d. is that such action would provide a

basis on which bankers could import gold and convert it into currency. The import of sovereigns by banks for presentation at a Currency Office for exchange at Rs. 15 would only happen in practice when the exchange value of the Rupee threatened to rise beyond the limits assigned to it by Statute; at other times, as for example throughout the last two years, a statutory ratio of 1s. 4d. gold would be as inoperative as the existing ratio of 2s. The only effect of such a ratio would be to set an upward limit to the fluctuations of the rupee, and this limit would itself fluctuate in terms of sterling with every movement in the dollar-sterling exchange. At some time in the future a ratio of 1s. 4d. gold might act as an effective check on a rise in the gold value of the rupee, but the Government of India are definitely opposed in the existing uncertainty of world prices to any immediate attempt to fix the future gold value of the currency.

4. Their attitude in this matter is due not to the fact that stabilisation in terms of gold might, in present circumstances, increase the fluctuations of the rate on London, but also and principally, to a firm belief that violent fluctuations in the general level of commodity prices, with the social and economic disturbances which they involve, are more prejudicial to the interests of India than a certain instability of exchange. It will scarcely be denied that a considerable further depreciation of gold in terms of commodities is a possibility which cannot yet safely be left out of account. If, in such circumstances, the Rupee were tied to gold, the course of commodity prices in India would have to conform in the long run to that of the United States. This is the "automatic footing" on which exchange and currency would have been placed, and the Government of India prefer not to condemn this country in advance to following all the possible vagaries of a price level controlled by the currency policy of a Government entirely beyond their influence.

5. I am now to turn to the second question raised in the letter under reply. It would seem that in regard to the Gold Standard a more precise definition of terms might help to remove some causes of misunderstanding. Your Committee appear to regard the internal circulation of gold currency as an indispensable adjunct of any true

gold standard. The currency systems of a number of European countries a generation or more ago might certainly be quoted in support of this opinion. But the doctrine had been implicitly rejected even before the war by the actual practice of most European countries, and by the teaching of the great economists for the previous half century. In the United States of America the effectiveness of the gold standard has not in any way been impaired by the fact that the use of gold in actual circulation has been generally rejected by the public for many years. In the opinion of the Government of India, supported by the authority of Mill and of Ricardo, an effective gold standard does not imply (though at the same time it does not, of course, preclude) the adoption of a gold currency for internal use.

6. But the question whether a gold circulation is eventually to be introduced in India does not arise at present and does not affect the action that has to be taken in order to make possible an eventual restoration of the gold standard. On the desirability of working towards such restoration the Government of India and the Indian Merchants' Chamber are agreed, but if the ratio of 1*s.* 4*d.* gold is to be achieved, it will be necessary to begin by removing the discount at which the rupee now stands below parity reckoned at that rate; and yet the Chamber has protested strongly against a sale of gold which, *pro tanto*, will tend to reduce that discount.

7. The operation has the further effect of making the reserve more immediately available for use in meeting a demand for international currency, and it would thus enable the Government the more easily to support exchange at a fixed ratio when once that ratio has been established. In other words, quite apart from the immediate advantages to the taxpayer mentioned by the Finance Member in his speech, the essence of the operation is that it applies gold from the reserves to the special purposes for which such gold is kept, namely to assist in securing an effective gold standard for the currency of India.

8. But I am directed to meet the criticisms of your Committee in detail as well as in principle. After alluding to the recent sale

of gold to the value of £ 2 millions as depriving India of "such little gold as it had by lucky accidents been able to get together," your letter proceeds to support this general objection by more particular reasons:

(1) "If there are so many and varied advantages in the conversion of gold into securities, India may very well ask why England is foregoing all these immense advantages. . . . England jealously guarded all its gold. Nay, it went further. It went on adding to this reserve."

(2) "The gold in the Currency Reserve is not an asset of the Government or even of the taxpayer to do what they like with it. It is held in trust on behalf of the holder of the note."

9. (1) The first of these statements is a statement of fact which it is not difficult to controvert. The figures in regard to the gold holdings of the Bank of England will not bear the interpretation put on them in the letter under reply, for they completely ignore the large transfers of gold made since the end of the war from the vaults of the Joint Stock Banks to those of the central reserves. These transfers were made in exchange for currency at par, in order to concentrate the gold reserves of the country, and the amount involved largely exceeds the increase in the total gold holdings of the Bank of England. In spite of the apparent addition of the stocks held by the Bank of England, very considerable quantities of gold have been taken year by year from the Paper Currency Reserve of the British Government or from the reserves of the Bank of England and shipped abroad. A study of the statistics of the United Kingdom imports and exports of gold would also reveal the fact that England has parted freely with her gold. Nor would it be difficult to show that these shipments have been profitable to the country which was not afraid to make use, on occasion, of its metallic reserves, and that so far from welcoming the large additions that have been made to their gold holdings, the authorities of the United States have found them decidedly embarrassing.

10. (2) The statement that the gold in the Paper Currency Reserves either belongs to the holders of notes or is held in trust on their behalf is inexact in law and incomplete in substance. The Government of India are charged with the maintenance of reserves in order that they may use them as an instrument for protecting the internal and external value of the currency from serious depreciation. For the exercise of this responsibility they require to form their own opinion, subject to the express provisions of the Indian Paper Currency Act, whether the reserves are at any time adequate in amount and suitable in form. They have to remember that if a reduction of the reserves below a certain (fluctuating) minimum is dangerous, their accumulation above a certain maximum is wasteful and amounts to a needless dissipation of the resources of the taxpayer. In order that a safe course may be steered between these two extremes, it is necessary that the Government should exercise their discretion not only to increase the reserves when there is any risk of a deficiency but also to reduce them when they are redundant. The justification of whatever action they may take is to be sought in the actual effects upon the estimation in which the currency is held both at home and abroad.

11. By such considerations the Finance Member was led to examine the adequacy of India's reserves in his speech before the Associated Chambers of Commerce and paragragh 6 of the letter under reply is devoted to criticism of the hypothetical balance-sheet by which he sought to illustrate the actual position. The criticism seems to proceed on the assumption that the balance-sheet was intended solely or principally to show the amount of the reserve held against the internal circulation of notes. The Finance Member was at some pains to point out that convertibility of the paper currency into silver rupees is only one of the objects which the reserves are intended to secure. So far as the paper currency is concerned, there can be no question that, as stated in your letter, the reserves behind the note issue are only those reserves authorised by law against which such notes were actually issued, and so soon as it has been shown that the reserves held are substantially in excess of what the law requires, this point is disposed of. Your Committee refrain

from addressing themselves to the more interesting question whether the total reserves at the command of India are or are not, in excess of her maximum requirements and whether they are held in the most suitable forms. They ask instead whether the reserves are sufficient to redeem in gold the whole of the paper issue and a considerable part of the circulation of coined rupees. In the opinion of the Government of India any currency system which could satisfy that test would be in the highest degree wasteful.

12. The Government of India have been unable to follow the criticism intended to be conveyed by paragraph 11 of the letter under reply, which deals with transfers from the Paper Currency Reserve in London and Reverse Bills. They cannot suppose that your Committee are of opinion that the reserves should not be used, as and when required, for the purposes for which they are maintained. In any conceivable currency system for India, operations similar to those which your Committee appear to deprecate must necessarily be undertaken either by the Government or by the Central Bank, and precisely analogous operations are a commonplace in many of the principal countries of Europe.

13. In conclusion, I am to say that the observations of the Finance Member about the disadvantages of introducing political motives into the discussion of technical problems were not specially directed at the Indian Merchants' Chamber. The Government of India readily accept the assurance of your Committee that their representations are made with the sole intention of elucidating the subject.

No. T.-180, dated 18th February, 1924.

From Chamber to the Government of India, Finance Department.

I am directed by my Committee to acknowledge receipt of your letter No. 254-F, dated 25th January, on the subject of Exchange and Sales of Gold. My Committee note that you consider the exis-

ting statutory ratio of 2 sh, not a "fraud on all producers and all debtors," because this rate is at present inoperative and also because of the express disclaimer of the Finance Member that the Government have no intention of forcing up the exchange value of the rupee with a view to make the 2 sh rate effective. My Committee, however, beg to point out that the retention of this rate in spite of repeated demands of the Indian commercial community for a reversion to the pre-war rate would indicate an intention on the part of Government to adopt some other rate than 1sh. 4d. gold if abnormal happenings like those of 1920 give them a plausible excuse for doing so, as otherwise the persistent refusal to revert to the pre-war ratio is quite inexplicable to my Committee. If there is any intention of adopting a higher ratio than 1sh. 4d. some day, then my Committee are obliged to re-assert that it will be "a fraud on all producers and all debtors" and they will be glad to have a clear enunciation of policy by Government to the effect that the intention is to revert to a real gold standard with gold in circulation at the rate of 7·53 gr. to the Rupee and that rate only as soon as world conditions make this practicable. You next draw my Committee's attention to the context of the Genoa resolution quoted by them and say that "in its proper context the meaning of the passage which they quote is that although for such countries as England, Holland, Switzerland, and Sweden, an eventual return to pre-war parity was probably both possible and desirable, countries with severely depreciated currencies such as France, Belgium, Italy, Germany and Poland would clearly have to reconcile themselves sooner or later to explicit devaluation." Surely it is not intended to convey that India is in the parlous position of countries like France, Belgium etc. Is it not rather the fact that India of all the countries of the world except America has had the power to draw gold and is, again with the exception of America, the largest buyer of gold available in the open market in the last three years? Is it not again a fact that to-day India is nearer the pre-war par than even England? If it is considered both possible and desirable for England to return to pre-war parity, why should such persistent attempts be made to prevent India from doing it? The point to which you draw my Committee's attention

is rather in favour of an immediate return to the pre-war gold parity as India is the one country that is clearly the one most ready for it and the Government's refusal to act is, therefore, all the more inexplicable. You are perfectly correct in pointing out that "the only effect of a ratio of 1sh. 4 d. being on the statute book would be to set an upward limit to the fluctuations of the rupee" My Committee agree that this would be the case and they are also quite prepared to see the rupee continue fluctuating below such limit in terms of sterling until the New York Cross Rate went back to par. But at all events, the change on the Statute book would serve to make clear the goal which this country had in view, and it would be reached automatically as soon as the Pound sterling went back to the gold par. It went very near it in the past 12 months and may do so again at a not very distant date, and then without any sort of manipulation by the Government here, the Rupee would at once be also at par, if, meanwhile the ratio of 7·53 gr. of gold has been brought back on the Statute book.

2. In paragraph 4 of your letter you refer to the violent fluctuations in general level of commodity prices which stabilisation in terms of gold might lead us to to-day. My Committee would in the first place emphasize that they do not wish for any artificial attempt at such stabilisation in terms of gold on the part of Government and that apart from the change in the Statute book my Committee do not wish for any action by Government to stabilize at the gold rate. What my Committee propose is that after the ratio has been changed in the Statute book the rupee should be allowed to take its natural course as now, and therefore, your fears of violent fluctuations in price levels, if any stabilization in terms of gold was now attempted, are unfounded. In the next place my Committee would beg to point out that although Government have been constantly basing their refusal to revert to the pre-war ratio on the ground of the world's situation being abnormal and fears of what may happen to commodity prices, Government evidently do not fully appreciate the real effect that world prices have upon Indian prices. Any intention to ultimately adopt a higher rate than 7·53 gr. gold *i.e.* 1sh 4 d. gold is evidently based on the supposed necessity to mode-

rate Indian prices. It will therefore be interesting to see what effect even the present rate has had on Indian commodity prices and whether there is any room for a further depression of prices which a higher exchange ratio postulates. On a reference to the Indian Trade Journal for 17th January 1924 (page 84) my Committee find Calcutta prices given in Index numbers as follows :—

	Pre-War. End of July 1914.	To-day
Cereals ...	... 100 ...	... 105
Pulses ...	... 100 ...	... 109
Oilseeds ...	... 100 ...	... 140
Mustard oil ...	... 100 ...	... 96
Hides and Skins	... 100 ...	... 133
Raw Jute ...	... 100 ...	... 84
Teakwood ...	... 100 ...	... 111
Tea ...	... 100 ...	... 197
Cotton ...	... 100 ...	... 293

It will be seen that while the general average is 179 or say 79 percent over pre-war, the figures when analysed reveal a most curious state of affairs. Cotton and Tea whose prices are determined by the strength of the *foreign* demand are 193 percent and 97 percent higher than pre-war. At the same time, the other articles named which are all Indian produce are very near pre-war and in the case of a very important crop like jute the price level is much under the Pre-war price.

3. When we remember that 70 percent of the population of this country lives in one way or other on the proceeds of agriculture, and, that as we see above, the prices of most articles produced by the agriculturists are very much *below* the average price level, which

means, in effect, that the cultivator is to-day getting much smaller real income than he did in July 1914, and when we further remember that this is in spite of a rate of exchange much under the parity of 7·53 gr. (16 d.) gold, it will be seen that to try to put the ratio any higher would be tantamount to still more heavily loading the dice *against* our enormous cultivating population, and any regard for the interests of our this very large population should put any higher rate than 1sh. 4d. gold absolutely out of court.

4. Turning to paragraph 5 of your letter my Committee see that according to you the doctrine of a gold currency in internal circulation as an indispensable adjunct of any true gold standard was rejected even before the war by the teaching of the great economists for the previous half century. My Committee are not prepared to subscribe to this opinion. Besides, so far as my Committee are aware, the Bank of England have never subscribed to it and even to-day the most strenuous attempts are being made to go back to a position when Bank of England notes would be freely encashed in gold. It may be very old-fashioned to ask for a Gold Currency in circulation, but the experiences of the past few years have, more than ever, confirmed my Committee in the advisability of such circulation, as it is the best safeguard against any attempt at tampering with the value of the standard unit of the country which my Committee consider a fraud on one section of the community in favour of another. Mill and Ricardo never meant their remarks to justify tampering with currency standards, and this fraud cannot be carried out without the knowledge of those most closely affected, namely the masses, if the coin is in actual circulation, and even if the doctrine is not backed by economists of the present day who have to consider to-day not soundness, but expediency, in the case of most of the bankrupt countries of Europe, my Committee see no reason why India, which is not bankrupt, and which has a right to large claims for gold in payment of its produce, should resort to such methods of expediency as these bankrupt countries are advised to resort to.

5. My Committee regret they cannot agree with your suggestion that it is desirable to work for the restoration of the Gold standard

by a sale of gold and thereby to bring the Rupee more into parity with it. Their only reply is that England to-day has a far larger stock of gold and it could very well make this experiment, but my Committee do not wish such experiments to be carried out at the expense of this country. My Committee consider that parting with any part of the currency gold was a most serious mistake, and they would once more urge upon Government the advisability, not only of discontinuing further sales, but of taking measures when the position is favourable to draw more gold into the currency reserves. The value of the Rupee will automatically go nearer to gold par when bankers in international markets *see* the strength of the *Gold Reserves* behind our note issue, and can judge what possibilities there are of securing gold in India in case of need.

6. Turning to paragraph 9 my Committee see that you want to make out that there have been very large transfers of gold even from the Bank of England, which they have ignored, as also the transfer of the very large amounts of gold held by the Joint-stock Banks in England in order to strengthen the central Currency Reserve. My Committee beg to point out that they have not overlooked such transfer. You also emphasize the need of scrutinizing the figures of Export and Import of gold into United Kingdom in order to show that England has freely parted with its gold. My Committee may point out that in this paragraph you entirely overlook the real issue which is that of parting with the gold behind the Bank of England Note issue. It cannot be denied that the Bank of England has not only constantly increased the reserve of gold behind its own Note issue, but has brought it up to almost three times what it was in pre-war days, and its holding of gold to-day is the largest ever known. The import or the export of the open market gold has really no bearing on the question at issue between us, because my Committee have never objected to the open market gold here being freely exported and imported as the demands of international trade might make it advisable. Their protest has been against the use of currency gold for sale on the open market, and nothing in the action of the Bank of England with regard to its currency reserves justifies the sale of such gold by Government here.

7. My Committee have read with a certain feeling of amazement the assertion made in paragraphs 10 and 11 of your letter. They demur entirely to the implication in your statement that the several reserves are to be used as an instrument for protecting the internal and external value of the currency from serious depreciation at the whims and fancies of the authorities in charge for the time being, because it is this conception of the duties of currency authorities that brought us the disasters of 1920. While agreeing that reserves are to be maintained on the lines laid down in the Paper Currency Act, they entirely demur to the statement that Government have a right to increase or reduce these reserves as they may think most suitable because that lays this country open to further experiments by future Finance Ministers, which may again prove disastrous and highly detrimental to the interests of this country. My Committee consider that the only sound system is where the reserves are increased or decreased automatically by the operation of the economic forces acting here on the balance of trade, and consequently by bankers applying for further currency to be issued against the authorized kind of reserve tendered or by their asking for international currency to be issued to them against tender of local currency also on lines that may be laid down in the Act. They entirely disagree with the view that such increase or decrease of currency can be safely left to the judgment of the person who may be in charge of currency operations for the time being.

8. At the end of paragraph 11 you say that what my Committee desire is that the reserve should be sufficient to redeem in gold the whole of the paper issue and a considerable part of the circulation of coined rupees. This seems to be a misapprehension because my Committee fully appreciate that our gold reserve to-day is far from sufficient to convert the tatal Note issue, let alone the Notes printed on silver and they cannot yet see the day in the near future when every note could be covered by gold, but they would most certainly consider it a goal to be aimed at and to be achieved in as great a measure as possible, and if Government consider this in the highest degree wasteful my Committee can only say that they are in very good company as they are following the footsteps of the Bank of England, the staunchest exponent of sound currency.

9. My Committee also cannot subscribe to the statement in paragraph 12 of your letter, namely, that in any conceivable currency system for India, operations similar to those that my Committee deprecate must necessarily be undertaken. They do not see why any sale of currency gold in the open market would ever be necessary under a sound Gold Standard system under which notes would be immediately convertible into gold on demand.

10. My Committee are glad to see that the Government of India readily accept the assurance that their representations are made with the sole intention of elucidating the subject. They cannot, however, help regretting that Government cannot see their way to publish the correspondence between the Secretary of State and the Government of India on the subject of Exchange and Currency since the publication of the Babington-Smith Committee's Report for which the representative of this Chamber had asked in the present sessions of the Indian Legislative Assembly, because such correspondence would explain the reasons which led Government to take various steps in the matter of currency and exchange that they have taken in the last three years, and this would have helped the commercial and the banking communities of this country to a better appreciation of the situation, and helped them to a solution of this question in the early future. The mistakes made have been frankly admitted by Government and my Committee also fully appreciate the difficulties that the Government have to solve and the further difficulty of hitting upon the right solution. Government cannot have anything to conceal from the public eye in the matter of these operations, and my Committee fail to see what purposes of public policy are intended to be served by the refusal to place the necessary correspondence before the public, and they trust Government will see their way to reconsider the position at an early date, and decide to publish this correspondence which is bound to be invaluable to all those who have to deal with India's currency problems.

No. 279-F. dated 16th April 1924.

From the Government of India, Finance Department to Chamber.

Subject:—Indian Currency and Exchange.

In reply to your letter No. T-180, dated the 18th February 1924 and subsequent reminder dated 1st April 1924, I am directed to state that the Government of India do not think that any useful purpose will be served by pursuing the matter further.

APPENDIX 20.

FINANCIAL STRINGENCY.

Telegram from Chamber to the Government of India, Finance Department, dated 16th February 1924.

"In view of very great stringency money market and extraordinarily high interest rates Committee Indian Merchants' Chamber strongly urge upon Government necessity of immediate action to provide further emergency currency beyond twelve crores already provided in Act to meet the needs of the situation. Inchambu."

APPENDIX 21.

EXCHANGE SITUATION.

Telegram from Chamber to the Government of India, Finance Department, dated 10th October 1924.

"Indian Merchants' Chamber regret Government inaction in face of present exchange and money market situation. Purchases of

sterling merely transfer funds from Government account to account of bankers and do not provide market with fresh money which is urgently needed. Gold bullion quoted to-day at under twenty-three and has been under parity with sixteen pence gold for several weeks. If exchange had been put back to sixteen pence gold as proposed in the bills of Sir Purshotamdas large amounts of gold would by now have been tendered to currency office against issue of local currency and would have created additional supplies of sound currency and at same time strengthened our reserves of gold. Chamber once more strongly urge Government take prompt action these lines unless Government consider great uncertainty regarding exchange to be in the interest of commerce and high exchange to be beneficial to India's industries at this critical juncture."

APPENDIX 22.

SIR PURSHOTAMDAS' BILLS TO AMEND THE INDIAN COINAGE ACT, 1906, AND THE INDIAN PAPER CURRENCY ACT, 1923.

A Bill further to amend the Indian Coinage Act of 1906.

Whereas it is expedient further to amend the Indian Coinage Act 1906, it is hereby enacted as follows :—

1. This Act may be called the Indian Coinage (Amendment) Act, 1924.

2. In Section 11 of the Indian Coinage Act, 1906, as amended by the Indian Coinage (Amendment) Act, 1920, for the word "ten," the word "fifteen" shall be substituted.

Statement of Objects and Reasons.

The Indian Coinage Act, 1906, was amended in 1920, in pursuance of the policy recommended by the Currency and Exchange Committee, and it was declared that the sovereign would be legal tender in India at the rate of ten rupees to the sovereign instead of fifteen to the sovereign which had previously been the legal ratio. The experience of the past four years has now proved that the ratio recommended by the Indian Currency and Exchange Committee is unsuited to the conditions of this country, as exchange has been much more in the proximity of the old legal ratio than the existing legal ratio during all these years, with the sole exception of 1919-20, when world conditions were abnormal everywhere. It is therefore now proposed to reverse the legislation of 1920, and restore the ratio that prevailed up to the date of that legislation.

A Bill further to amend the Indian Paper Currency Act of 1923.

Whereas it is expedient further to amend the Indian Paper Currency Act, 1923, it is hereby enacted as follows :—

1. This Act may be called the Indian Paper Currency (Amendment) Act, 1924.

2. In Section 13 of the Indian Paper Currency Act, 1923, for the figures 11·30016, the figures 7·53344 shall be substituted.

3. In Sub-clause 8 (*a*) of Section 18 of the Indian Paper Currency Act, 1923, for the figures 11·30016, the figures 7·53344 shall be substituted.

Statement of Objects and Reasons.

The object of this Bill is to alter the ratio at which notes are issued from the Paper Currency Reserve for gold coins, which are not legal tender, or for gold bullion, from 11·30016 to 7·53344 grains Troy of fine gold per Rupee.

A Bill, amending the Indian Coinage Act, effecting a change in the rate at which the sovereign and the half sovereign are at present legal tender, is being separately introduced. The change contemplated by this amending Bill in the Indian Paper Currency Act, 1923, is consequential on the change which is expected to be made in the ratio at which the sovereign and the half sovereign are at present legal tender. The effect of both these amending Bills will be to reverse the principal action taken on the recommendations of the Indian Currency and Exchange Committee, as such reversal appears to be warranted by the experience gained since 1920.

Telegram from Chamber to the Private Secretary to His Excellency the Viceroy, dated 19th September 1924.

"Committee Indian Merchants' Chamber strongly urge His Excellency the Viceroy to grant a special day for consideration of two Currency Bills of which notice has been given by Sir Purshotamdas Thakurdas in view of the extreme importance of the whole subject as otherwise Committee fear very serious situation is likely to arise in near future. Inchambu."

APPENDIX 23.

RATE OF EXCHANGE FOR THE PAYMENT OF BILLS DRAWN IN FOREIGN CURRENCIES.

No. 701-F dated 4th March 1924,

From the Government of India, Finance Department to Chamber.

Subject:—Rate of Exchange for the payment of bills drawn in foreign currencies.

I am directed to invite a reference to the correspondence ending with your letter No. T-1176, dated the 8th November, 1922, regarding the rate of exchange for the payment of *past due* bills drawn in foreign currencies. Since then the Associated Chambers of Commerce, at their meeting of the 4th December 1923, in Bombay, have passed the following Resolution :—

> "That in the opinion of this Association the Government of India should effect, with the least possible delay, legislation on the lines of the Hongkong Bill of Exchange Ordinance, 1921, so as to provide that, in the absence of any express stipulation to the contrary, all bills drawn in foreign currencies be payable at the rate of exchange ruling on the date of actual payment."

2. Before embarking upon any legislation of the nature proposed, the Government of India are anxious to ascertain the exact reasons which led your Chamber to think that no change in the law as it stands at present is necessary. And in order to enable your Chamber to formulate their objections, I am to set forth the reasons in support of a change as they have been adduced by the Associated Chambers of Commerce.

3. The bills in question are mainly bills which have been created by the purchase, by dealers in this country, of goods from abroad, chiefly from the United Kingdom. The bills are drawn by the sellers in sterling on the buyers in India and negotiated through the London Office of an Indian Exchange Bank which sends them to its Indian Office along with the shipping documents for collection. The documents which enable the buyers to obtain delivery of the goods are not released until they accept the bills or pay their equivalent to the Bank concerned.

4. This kind of business has increased in value as time has gone by, which shows that the methods are well adopted to the needs of the trade. It has, however, one peculiar feature which is hardly known in the United Kingdom, viz., the practice whereby the buyers allow the bills to become past due if it suits them. This does not involve loss of credit to the buyers who are generally Indians of limited means who have to sell all or a portion of the goods before they can pay the Bank and require an extension of time if they cannot sell. If the Bank refuses to give this concession, the buyers are compelled to restrict their business. The concession is therefore a trade facility which the circumstances and conditions of the business have brought into existence.

5. In view of the recent decision of the Bombay High Court, however, the buyer has two alternatives. If exchange has fallen in the meanwhile, he can pay the amount of the past due bill at the rate ruling on the date of maturity in accordance with the High Court decision. If exchange has risen he can remit the amount to the seller and ask him to withdraw his bill and cannot be forced to pay the Bank at the rate ruling on the date of maturity. The Bank is, therefore, in a position of uncertainty and risk, has no redress, and has to accept all loss. Neither the seller nor the buyer is affected.

6. Unless, therefore, the law is suitably amended, Exchange Banks will be compelled to restrict the grant of the concession referred to in paragraph 4 above and this will prejudice the interests of the Indian trader of limited means. I am to request that this

aspect of the matter may be placed before your Chamber and their views communicated to the Government of India as early as possible.

7. I am to point out that the suggested legislation refers to all bills drawn in foreign currencies and is not restricted to past due bills, the object being to remove all uncertainty even in cases in which bills are retired before maturity.

No. T-321, dated 28th March 1924.

From Chamber to the Government of India, Finance Department.

With reference to your letter of the 4th instant, No. 701-F. my Committee would like to have further information with regard to the following question before they proceed to give their opinion on it.

The resolution passed by the Associated Chambers of Commerce provides in its latter part that in the absence of any express stipulations to the contrary all bills drawn in foreign currencies be payable at the rate of exchange ruling on the date of actual payment My Committee will be much obliged if they will be informed as to whether the drawee could make the payment whenever he chose to do so or whether it depended on the Banks to call upon him to make the payment on a particular date.

No. 752-F. dated 1st May 1924.

From the Government of India, Finance Department to Chamber.

Subject:—Date on which bills drawn in foreign currencies are payable.

In reply to your letter No. T-321, dated the 28th March 1924, I am directed to say that no change is contemplated in the existing law or practice in regard to the date on which bills are payable or may be paid.

No. T.-602, dated 21st May 1924.

From Chamber to the Government of India, Finance Department.

I am directed, in reply to your letter No. 701-F. dated the 4th March 1924, to send hereby views of my Committee.

2. After considering all the arguments put forward in your letter under reference my Committee see no reason to change their views originally conveyed to you in their letter of the 8th November 1922, No. T-1176. My Committee feel that the change suggested by the Associated Chambers of Commerce is evidently intended to safeguard more the interests of an Exporter than the local dealers or merchants and when several years' experience of business relations has not caused any difficulty or anxiety as is now imagined. my Committee are not prepared to welcome an innovation in the existing conditions.

3. They cannot from their experience of local business admit it as a fact that there is inferred or intended to be inferred any special obligation when banks extend the time for paying the bills. These bills amount to some crores of Rupees and Banks rather welcome this business than otherwise as that is perhaps the main source of a Bank's activities. It is a practice of long standing and both on the grounds of principle and practice no necessity has arisen to justify any interference from Government. The fear expressed in para 4 of your letter that but for such legislation Banks will refuse the necessary accommodation is unfounded. As a matter of fact there is another method already in vogue. This is the method of Rupee Loans. The foreign bill is converted into Rupees on the original due date at the rate of exchange of the day, and the Bank agrees to allow a certain percentage of it to run on as a loan, the buyer finding the margin in cash. Banks can always do this whenever and wherever they find a client deserved such accommodation.

4. For all ordinary purposes of business Bills at 30 or 60 days sight are drawn, and this time is quite sufficient for payment by all solvent business firms in ordinary times. My Committee do

not consider it desirable from the point of business morality to encourage any system of over-time payments.

" 5. The change suggested by Associated Chambers of Commerce and contemplated by Government will also tend to encourage gambling in exchange, because Banks will then more freely allow extensions of bills beyond their dates of maturity, and dealers will be tempted to wait for a more favourable rate of exchange, which may never come, and which may, therefore, involve them in further unexpected losses until some of them may finally go beyond their depths and be utterly ruined. My Committee therefore consider it highly undesirable to thus encourage speculation in exchange.

APPENDIX 24.

BUDGET OF THE GOVERNMENT OF INDIA FOR 1924—25.

Telegram from Chamber to the Government of India, Finance Department, dated 1st March 1924.

"Committee Indian Merchants' Chamber have considered carefully Budget proposals and speech of Finance Member Government of India and regret salt duty is not proposed to be reduced to original one rupee four annas per maund inspite of universal protest against increase last year. They consider surplus cannot be better utilised than by reducing salt tax to one rupee four annas. They further regret Government should have departed from sound Accountancy practice in adopting higher rate than one shilling four pence which formed basis in past two years and which would have left figures in Budget on safe side as far as exchange calculations were concerned. They further consider it highly unsound to have utilised windfall of nature of profits from enemy ships in order to balance Budget and protest strongly against procedure adopted. Committee welcome indications in Budget that there would be no sterling loans

this year as they protested against heavy foreign borrowings. Before concluding Committee desire to register their most emphatic protest against manipulation of Currency as shown in paragraph sixty of Statement. Inchambu."

Telegram from Chamber to the Government of India, Finance Department, dated 15th March 1924.

"Committee Indian Merchants' Chamber beg to object to proposed duty on undipped splints, veneers and matchboxes as calculated to injure newly started indigenous match factories using imported splints, veneers and matchboxes. Inchambu."

APPENDIX 25.

UTILIZATION OF PROFITS FROM THE WORKING OF ENEMY SHIPS.

No. 2, dated 5th January 1924.

From Messrs the Scindhia Steam Navigation Co. Ltd, to Chamber.

Question No. 70 of the Questionnaire issued by the Indian Mercantile Marine Committee runs as under :—

> "If you have advocated direct or indirect State aid or assistance, what method or methods can you suggest for the purpose of raising the funds required ?
>
> Will you give figures in support of your proposals including the total sum involved ?"

Your Chamber, like this Company, is of opinion that State aid is necessary for the development of an Indian Mercantile Marine. One of the ways suggested by this Company in this connection is to request the Government to utilise the Undisposed Profits amounting to £ 3, 790, 192-19-8 resulting from the working of Enemy Ships

under the control of the India Office up to 31st March 1922 for this purpose. We send you enclosed a copy of the letter which we have addressed to the Indian Mercantile Marine Committee in this connection.

The attached copy of an extract from the Report of Mr. Sturdy, the Auditor of Indian Home Accounts upon the Accounts of the High Commissioner for India, for the year ended 31st March 1922, dated India Audit Office 16th January 1923, having a bearing on this subject, we trust, will be found interesting.

We shall feel obliged if you will take up this matter both with the Indian Mercantile Marine Committee and the Government of India recommending them strongly the desirability of ear-marking the profits referred to above for the development of the Indian Mercantile Marine.

We also enclose an extract from the speech of the Chairman of this Company made at the 4th Ordinary Annual General Meeting in this connection.

Hoping this matter will receive your early and favourable consideration.

Extract from the Report of Mr. Sturdy, the Auditor of the Indian Home Accounts upon the accounts of the High Commissioner for India, for the year ended 31st March 1922, dated India Audit Office the 16th January 1923.

Enemy Ships Under the Control of the High Commissioner.

Certain enemy Ships detained in Indian ports at the outbreak of war came under the control of the India Office in 1915. The management of the vessels was vested first in Messrs. Graham & Co; later they were placed in direct charge of Capt. T. G. Segrave, R. N. R. C. B. E. (India Office Shipping Surveyor and Adviser) as Director of India Office Shipping. Control was transferred to the High Commissioner on his appointment in October 1920, the management continuing in Capt. Segrave's hands. From that date all receipts

for freight, &c., have been paid into the High Commissioner's Account at the Bank of England and the necessary payments on account of working expenses are met from that account.

The balance in the hands of the Secretary of State on 30th September 1920, viz. 3,584,646 £ 2s. 10d., is still held in the Cash Account of the Secretary of State. The excess of receipts over payments for the period 1st October 1920 to 31st March 1922 is 328, 808, £ 11s. 6d., vide para 3.

No decision has yet been reached as to the disposal of the profits resulting from the working of these ships. The question of the disposal of the vessels, eleven in number, has recently been under consideration; four are technically "prize" ships; of these three have recently been sold, and the fourth will shortly be on offer for sale. The transfer of another vessel (the Moora) to the Commonwealth Government of Australia is under consideration. The remaining six are "reparation" vessels, and their disposal is not yet settled.

The question of responsibility for the audit of the accounts has never been clearly defined owing chiefly to the uncertainty as to the disposal of the profits. A qualified accountant, having a quasi-independent status, has charge of the accounting arrangements of the Director of India Office Shipping and prepares an annual balance sheet and profit and loss account. A joint check and test audit on a limited scale is applied by a member of the High Commissioner's Accounting Department and a member of my Department. These arrangements, in my opinion, should be sufficient to safeguard against the occurrence of any financial irregularity.

The balance sheet to 31st March 1922 shows that the profit from 1915 to date amounts to 3,790, 192 £ 19s. 8d., and in addition there is a reserve fund of 124, 358 £ 13s. 3d. Provision has also been made for depreciation of the vessels. The Government practice of non-insurance has been followed, but a pro forma Insurance Account has been kept. Premia at current rates are credited to this Account, and losses incurred are debited against it. Up to 31st March 1922 the Account shows a surplus, included in the profit shown above, of 129,000£.

The greater part of the profit of over £. 3¾ millions was made during the Shipping boom, but in spite of adverse freight conditions in 1921–22 profit continued to be made.

Copy of the letter from the Scindhia Steam Navigation Co. Ltd. to the Secretary, Indian Mercantile Marine Committee, dated 4th January 1924.

In continuation of our answer in our written statement dated 3rd April 1923 to your question No. 70, we beg to submit that the Government should utilise the Undisposed Profits amounting to £. 3, 790, 192–19–8 resulting from the working of Enemy Ships under the control of the India Office up to 31st March 1922 in assisting the building up and development of an Indian Mercantile Marine. We need not add that according to the Home Accounts of the Government of India published by India Office on 29th May 1922, the balance of the profits referred to above has been credited to a suspense heading in the account of the Secretary of State for India. May we therefore request you to make your strong recommendation to the Government of India to earmark these profits for the development of the Indian Mercantile Marine?

Hoping your Committee will be pleased to give this matter its serious consideration.

Extract from the Speech of the Chairman, Mr. Narottam Morarjee, delivered at the 4th Ordinary General Meeting of the Scindia Steam Navigation Co., Ltd. held on the 19th December 1923 at the Morarjee Goculdas Hall, Kalbadevi, Bombay.

But what about the Government? In answer to a question put in the Legislative Assembly in March last, the Government of India made it clear that they had no intention of giving any aid to Indian Shipping firms in the near future. The monopolistic foreign interests are emphatic that Indian Shipping requires no help in any direction and the Government make it clear that they have no funds to help us. This unholy co-operation on the part of the Government and the foreign shipping interests ought to make us alive to the grave dangers ahead and bring home to us the necessity of the old

adage "United we stand—Divided we fall." I, however, wish to draw your attention to an interesting fact which has been brought to my knowledge by my friend, Mr. Madon. The Secretary of State for India has been running enemy ships for some years past. These ships were under the control of the India Office up to 30th September 1920. In October 1920 they were transferred to the control of the High Commissioner for India. The freight earning etc., up to 30th September 1920 have been credited to a Suspense heading in the account of the Secretary of State and the cost of operating ships etc., has been charged to that heading. The balance held in the Secretary of State's cash account on the 30th September 1920 was £ 35,84, 646-2-10 or Rs. 5,27,69,690/- and this amount is included in the balance of 31st March 1921. You will be easily able to verify these facts from Page 33 of the Home Accounts of the Government of India dated India Office, the 26th May 1922. The Balance Sheet to 31st March 1922 shows that the profit from 1915 to date amounts to £ 37,90,192-19-8 or about Rs 5,68,52,880 and in addition there is a Reserve Fund of £ 1,24,358-13-6. The Auditor of Indian Home Accounts in his report dated the 16th January 1923, remarks: "No decision has yet been reached as to the disposal of the profits resulting from the working of these ships." Here is an opportunity for the Government of India to utilise this sum for developing Indian Shipping if they are really anxious to promote national shipping and I hope and trust some of our new Councillors in the Legislative Assembly will not fail to press the matter on Government by putting the necessary interpellations. After all where there is a will there is a way and here is a way. The Government of India have earned this sum out of running enemy ships and what could be more natural than to spend it for building up a National Mercantile Marine? We may mention that it is intended to make the necessary representation to Government in the matter.

No. T-103 dated 23rd January 1924.

From Chamber to the Government of India, Department of Commerce.

I am directed to send herewith a copy of a letter addressed by Messrs. The Scindhia Steam Navigation Company to the Indian Mercantile Marine Committee. With reference to the balance of £ 3,790, 192-19-8 referred to therein my Committee beg to suggest that the Government of India will be pleased to hold up this balance for the development of the Indian Mercantile Marine till the Report of the Indian Mercantile Marine Committee has been considered by the Indian Legislature.

No. 103-S dated 8th February 1924.

From the Government of India, Commerce Department to Chamber

Proposal to earmark the profits of the ex-enemy ships to meet expenditure which may be required for an Indian Mercantile Marine.

With reference to your letter No. T-103, dated the 23rd January 1924, on the above subject, I am directed to say that although some profits have accrued from the working of the ex-enemy ships, the existence of certain special revenue arising out of war and after war conditions can have no bearing on the question whether money can and should be provided by Government for developing the Indian Mercantile Marine. The question of providing money for such a purpose must be considered along with other demands for Government expenditure. If money is to be provided it must be voted in the ordinary way by the Legislative Assembly as part of the Budget expenditure for the year in which it is proposed to incur expenditure.

No. T-184 dated 19th February 1924.

From the Secretary of the Chamber to Sir Purshotamdas Thakurdas,

I am asked by the Committee of the Chamber to send to you herewith copies of the correspondence between us and the Government of India, Commerce Department, with regard to the utilisation of Profits on the ex-enemy Ships to meet expenditure which may be required for an Indian Mercantile Marine.

You are requested by the Committee to be kind enough to take necessary action in the matter.

(C) GOVERNMENT STORES PURCHASE POLICY:

APPENDIX 26.

NOTICE OF TENDERS ISSUED BY THE SUPERINTENDENT, HARNESS AND SADDLERY FACTORY, CAWNPORE.

No. T-104 dated 23rd January, 1924.

From Chamber to the Director of Ordnance Factories, Delhi.

The attention of my Committee has been drawn to a notification appearing in the Times of India dated 15th January, 1924 issued by the Superintendent, Harness and Saddlery Factory, Cawnpore, inviting tenders for the supply of Limed Buffalo and Cow hides, which contains a rather unusual condition that parties desiring to tender should apply for tender forms with a written application "accompanied by a certificate of capacity in this line and financial position." My Committee will be much obliged if you will be pleased to let them know the reasons, if any, for inserting this condition.

Notice Referred to above.

The Superintendent, Harness and Saddlery Factory, Cawnpore, will receive tenders up to noon on 14th February, 1924, for the supply of Limed Buffalo and Cow Hides from 1-4-24 to 30-9-24, the hides to be delivered in the hair from 10-3-24 to 9-9-24.

Parties desiring to tender should apply for tender forms which may be obtained from the Superintendent, Harness and Saddlery Factory, on written application accompanied by certificate of capacity in this line, and financial position.

Parties may, subject to conditions noted in Special Conditions of contract, tender for any portion of the maximum quantity, not being less than one-fourth. Wet Salted Hides will only be accepted.

The D. O. P. does not bind himself to accept the lowest, or any tender, and reserves the right to accept the tender of any party for not less than one-fourth of the amount tendered, such reduction if any being notified on acceptance.

The sum of Rs. 500, as earnest money must be deposited with the tender, and may be forfeited if any tender be withdrawn, before the last day of March, 1924 up to which date all tenders will be liable to acceptance.

SCHEDULE.

Hides Buffalo Limed ..... lbs. 12,00,000,

Average weight per hide lbs 54; any hides under lbs. 50 in weight will not be accepted.

Hides Cow Limed ..... lbs. 2,00,000.

Average weight per hide lbs. 24; any hide under lbs. 21 in weight will not be accepted.

N. B.—Full particulars as to security, deposit, conditions of supply etc. can be ascertained when applying for tender form.

L. C. LARMOUR,

Major, R. A. Superintendent, Harness and Saddlery Factory, CAWNPORE.

No. 20608-S. dated 4th February, 1924.

From the Director of Ordnance Factories, Calcutta to Chamber.

Subject:—Tenders for supply of Hides.

Reference:—Your letter No. T-104, dated 23-1-24.

I beg to state that the reason for inserting the condition, referred to, is to ensure that no party of "no standing," commercially or financially, tender to this Department.

No. T.-255, dated 5th March 1924.

From Chamber to the Director of Ordnance Factories, Calcutta.

I am directed to acknowledge receipt of your letter of the 4th February 1924, No- 20608-S.

My Committee remain unconvinced with regard to the necessity of the clause referred to in my original letter being inserted in the tender forms. Your reply states that the clause was inserted to ensure that no party of "no standing", commercially or financially tendered to your Department. It is not possible however to judge how the insertion of this clause will ensure this. The words "no standing" are themselves vague and relative and my Committee are afraid that advantage may be taken of the very vagueness of the term to accept the tenders only of those firms which stand in good graces with the executive officers. There would be no objection to the requiring from tendering firms such reasonable security, as each case may warrant as is already being done but to ask them to produce certificates of capacity in the line and financial position is, in the opinion of my Committee, unbusinesslike and insulting and not calculated to gain the object of its insertion.

It is therefore hoped that the clause will be deleted from all tender forms issued by your Department.

APPENDIX 27.

PLACING OF ORDERS BY THE HIGH COMMISSIONER FOR INDIA IN THE CHEAPEST MARKET.

Telegram from Chamber to the Government of India, Department of Industries and Labour, dated 16th February 1924.

"Committee Indian Merchants' Chamber beg to record their appreciation of action of High Commissioner in buying in cheapest market in case of recent purchase of locomotives from Germany and trust he will continue to buy in cheapest market undeterred by interested agitation."

APPENDIX 28.

PURCHASE OF STORES BY PROVINCIAL GOVERNMENTS.

No. T.-112 dated 26th January 1924.

From Chamber to the Government of Bombay, General Department, Bombay.

My Committee understand that the Government of Bombay is not bound to make its purchases of stores through the Indian Stores Department. This fact combined with the possible ignorance of individual officers regarding sources of purchase in this country may result in orders going to the High Commissioner in London for India for such articles as are procurable here. My Committee beg therefore to suggest that the Government of Bombay may be pleased to utilise the benefit of the Indian Stores Department, India,

thereby avoiding occurrences of purchases outside India of articles available here. It would be better also if Home indents of all nature sent to England by different indenting officers of the Government are first scrutinised by the India Stores Department. It may be mentioned that in writing this letter my Committee are actuated by the desire to see uniformity of procedure adopted throughout the country with regard to the Stores Department and purchases of stores required by different Provincial Governments effected in this country objects with which your Government must be in sympathy.

No. 5205-C. dated 27th March 1924.

From the Government of Bombay, General Department to Chamber.

Subject:—Scrutiny of indents for purchase of stores by the Indian Stores Department.

With reference to your letter No. T.-112, dated the 26th January 1924 on the subject noted above, I am directed by the Governor in Council to state that Government have already laid down more than once that articles manufactured in India should be given preference over imported articles provided their quality is suitable and their prices are not unfavourable and that even at present the indenting officers under the Bombay Government are free to utilise the agency of the Indian Stores Department, whenever they desire to do so, and that they are always informed by Government of any new appointments of inspecting or purchasing officers or of the opening of any new branches of the Indian Stores Department. I am now to forward for your information a copy of a fresh circular which Government have issued in the matter.

Government of Bombay, General Department, Circular No. 5205.
Bombay Castle, 17th March 1924.

Circular.

The attention of all indenting officers is invited to rules 1 and 2 of the Stores Purchase Rules which lay down that articles manu-

factured in India should be given preference over imported articles provided their quality is suitable and their prices are not unfavourable. It has been suggested to Government that owing to the possible lack of knowledge on the part of individual officers of the sources of supply in India it is likely that orders may be sent to the High Commissioner for India in London for articles which are procurable in this country. With a view to avoiding the purchase outside India of articles which are available in India, Government are pleased to direct that all indenting officers should, so far as possible, utilize the services of the Indian Stores Department for purchases in India, and also that they should submit for the scrutiny of that Department all indents for articles which are to be obtained from England.

APPENDIX 29.

SPECIFICATIONS OF STORES REQUIRED BY GOVERNMENT.

No. T.-491, dated 3rd May 1924.

From Chamber to the Government of India, Department of Industries and Labour.

It is the experience of several members of the Committee of this Chamber that one of the main reasons adduced for placing orders of the Government of India with the High Commissioner and not with local firms is that the latter are not able to manufacture to specifications fixed by the Government. It was found even during the war times that these specifications had to be modified a good deal to enable the Government to make purchases locally. What my Committee fear is that these specifications have been fixed too high for local needs and requirements and for local supply. Thus, supposing despatch boxes are required for the use of officers, it

should not be considered a bar to purchasing locally if local manufacturers are able to supply such boxes but with a slight variation in the arrangement of brass buckles or corners or if there is a difference in width or length say of a fraction of an inch and yet worse things have been done in the name of specifications. My Committee are informed that the specifications in force at present are quite out of place for the Indian climate. Cement specifications may be cited as an instance. They are based on models taken from Western countries and are too high for this country. There are now manufactures of different varieties in this country which would be able to supply public requirements but are not able to compete because of unnecessarily high specifications fixed by the Government. My Committee consider in short that it is now high time that Indian specifications should be compiled for all requirements of Government as specifications now in force based on British requirements may not be suitable to this country.

No. S.-479/1, dated 10th June 1924.

From the Government of India, Department of Industries and Labour to Chamber.

Subject:—Specifications of stores required by the Government of India.

I am directed to refer to your letter No. T-491, dated the 3rd May 1924, on the subject noted above. In this letter you say that it is the experience of several members of your Committee that one of the main reasons adduced for the placing of the Government of India's orders for stores with the High Commissioner and not with Indian firms is that the latter are not able to manufacture to specifications fixed by Government. Your Committee fear that these specifications have been fixed too high for local needs and for local supply and that they are out of place for the Indian climate.

2. The Government of India are unaware, in the absence of details, of the foundation on which the statements quoted above

have been made and which are not supported by their own experience. With regard to the general question of the standards which should be set by Government in their specifications, I am in the first place to explain the views of the Government of India on the question of principle involved. Your Committee will doubtless agree that, if India is to take her place among the manufacturing countries of the world, her industrialists must be prepared to set themselves standards of manufacture not lower than those generally accepted and that to adopt a policy of deliberately lowering specifications in order to meet conditions obtaining in a partially developed country would be to render a great disservice to that country's best interests. Such a policy would, in the opinion of the Government of India, be fatal in the long run. The policy which the Government of India have laid before them is to prescribe standards which are acceptable and which will ensure that the article meets the requirements of the consumer, and at the same time to take all possible steps to assist manufacturers in working up to the standard required. This policy has already been carried out in practice with conspicuous success by the recently created Indian Stores Department, more especially in respect of textile stores, in the case of which, in numerous instances, specifications have been revised without detriment to quality in order to enable articles of indigenous manufacture to be substituted for those previously imported.

3. Your Committee have cited instances of two specific classes of articles in which they allege that purchase from Indian manufacturers is prevented by the fixation of too high standards in the Government specifications, namely, Despatch Boxes and Cement. As regards despatch boxes, the Government of India are unable to adduce actual experience in buying by the Indian Stores Department, who have not made any purchases of this class of article. But so far as they are aware, manufacturers in India experience little or no difficulty in making despatch boxes to any specification. The Indian Stores Department has, however, purchased somewhat similar articles made by the same class of manufacturer, namely Sea Kit Boxes and for these a specification and drawing have been prepared. When an order was placed, it was divided between two or three

manufacturers and each make showed small differences in the matter of finish, reinforcement of corners and bracing but none was penalised on this account, reasonable variations being accepted. The specification and drawing showed what was required and clearly indicated the essential points. At the time of inspection, small deviations from the specification, which did not affect the suitability of the article for the purpose for which it was required, were permitted. This procedure is in accordance with the Stores Purchase Rules which clearly prescribe that articles manufactured in India should be purchased in preference to imported articles, provided that the quality is sufficiently good for the purpose.

4. As regards cement, the Government of India are quite unable to accept the statements made in your letter. Actual experience shows that cement manufacturers in India, so far from finding the standard specification too high, have found no difficulty in manufacturing cement well above the British Standard Specification. Appended to this letter will be found a statement showing the results of tests carried out in the Government Test House of cements made in India by three companies as compared with the British Standard Specification, which will doubtless interest your Committee. It will be seen that these Indian-made cements more than satisfy the conditions laid down, and the same remark applies to cements made by many of the other manufacturers in India. It is possibly within the knowledge of your Committee that cement users in India hold very strongly the view that the British Standard Specification for cement is not entirely suitable for Indian conditions and requires revision. Such revision, if it takes place, will not be in the direction of lowering the specification, but in the direction of increasing substantially certain of the limits at present prescribed. The Council of the Institute of Engineers acts as the Indian Committee of the British Engineering Standards Association in all matters connected with specifications, and before any British Standard Specification is published or revised, the matter is referred to the local Committee in India for advice and suggestion with a view to ensuring that the specification is suited to Indian conditions. Representatives of all interested parties, users, manufacturers and merchants, are nomi-

nated as members of the Indian Committee. A Committee is at present engaged in examining the British Standard Specification for cement with a view to making such revision in the Specification as may be considered necessary to meet Indian conditions. This Committee is representative of all interests and the views of Indian cement manufacturers will doubtless be given due consideration.

5. Finally, I am to refer to the remark made in your letter that during war time specifications had to be modified in order to enable Government to make purchases locally. The Government of India doubt whether your Committee desire seriously to suggest that the practice which Government were forced to adopt in time of war should be made generally applicable in time of peace. In time of war the main consideration is to obtain the articles required as quickly as possible, and economy, and even in some cases quality, have to be sacrificed. This policy could not in the interests of the State be followed in time of peace and, if it could, it would be opposed to the best interests of the country.

RESULTS OF TESTS OF INDIAN CEMENTS IN THE GOVERNMENT TEST HOUSE, CALCUTTA.

	British Standard Specification, 1920.	Company No. 1.	Company No. 2.	Company No. 3.
1. Fineness of Grinding.				
Residue on mesh 180 × 180	Not more than	8·57	9·25	10·35
Do. 76 × 76	,, 14%	0·15	·06	·26
	1%			
2. Chemical Composition.				
Magnesia	,, 3%	1·61	1·92	2·67
Sulphar calculated as So 3.	,, 2. 75%	1·41	1·71	1·50
Total loss on ignition	3%	2·65	1·68	1·52
Insoluble residue	1. 5%	0·30	1·16	·62
Net proportion of Lime to Silica and Alumina	Between 2. 85 & 2	2·48	2 63	2·54

3. Tensile strength (net).					
7. Days (average lbs. (—W) ... (— N)	...	Not less than 450 lbs.	663	773	709
28. ,, lbs. ...	...	$\frac{W}{N}+\frac{40000}{Wn}$ / N	(W = 723) n 755	(W = 825) n 858	(W = 763) n 795
4. Tensile strength (Cement & Sand).					
7. Days (average lbs. (1 W) ... (S)	...	Not less than 200 lbs.	278	428	414
28. ,, lbs. ...	...	$\frac{W}{S}+\frac{10000}{W}$	(W = 310) s 330	(W = 451 s 461	(W = 438 s 474
5. Setting Time.					
Initial	...	Not less than 20 minutes.	36 mins.	82 mins.	80 mins.
Final	...	Not more than 10 hrs.	1 hr. 45 mins.	2 hr. 34 m'ns.	1 hr. 54 mins.
Classification	...	.....	.....	.....	.....
6. Soundness.					
Expansion after boiling 6 hours in the Le Chatelier Mould. ...	...	Not more than 10 mm.	1 mm.	1 mm.	½ mm.
Cement aerated 24 hrs. ...	...	Not more than 5 mm.			

APPENDIX 30.

HALF YEARLY STATEMENTS REGARDING PURCHASE OF STORES BY THE INDIAN STORES DEPARTMENT, LONDON.

No. S-424 dated 17th March 1924.

From the Government of India Department of Industries and Labour to Chamber.

Subject:—Halfyearly statement of cases in which the lowest tender has not been accepted by the India Store Department, London.

I am directed to forward for the information of your Chamber 4 copies of the statement for the half year ended 31st December 1923 showing all cases in which the lowest tender has not been accepted by the India Store Department, London, in purchasing stores for the Government of India.

No. T-430 dated 15th April 1924.

From Chamber to the Government of India, Department of Industries and Labour.

I am directed to acknowledge the receipt of your letter of the 17th March 1924 No. S-434, enclosing four copies of the statement for the half year ended 31st December 1923. This statement is analogous to all the four statements in the reasons given, for the rejection of tenders even though they were the lowest. My Committee have analysed all the different reasons adduced by the High Commissioner for the rejection of even the lowest tenders and find that these fall into the following main classes :—

(1) Quicker Delivery,

(2) Quicker Delivery and cost of inspection abroad,

(3) Superior Quality,

(4) Trustworthiness of the firm,

(5) Extra cost of inspection abroad, and

(6) In accordance with the policy of preference to British firms which policy is now abandoned.

My Committee have drawn attention of the Government to these reasons in their two previous representations addressed to Government on the subject and venture to say that none of the reasons is strong enough to justify the rejection of the lowest tender.

With regard to quicker delivery which is adduced as a reason in a majority of cases, my Committee are informed that it takes a long time owing to red tape for the orders from this country to reach the High Commissioner and that as soon as these are in his hands he is bombarded with cablegrams asking for immediate despatch of articles referred to in the orders. My Committee can understand such urgency being asked for in war times but not in these times of peace and that too with reference to articles like canvas, iron wire, tumblers, typewriter ribbons, etc., any amount of which can be had in the country itself without the Indenting Departments wasting time and money after getting them from six thousand milles away. These articles are taken as an illustration from the latest list for the half year ended 31st December 1923, but the previous lists also contained articles similar in character for which urgency was claimed. My Committee beg to suggest that in order to prevent such a plea being raised in future officers in charge of the different Indenting Departments should be required to prepare a list of their requirements in such time that they may not be inconvenienced through their getting these articles some time later. The only solution to the mind of my Committee is what they have advanced from

time to time and what the Legislative Assembly itself has accepted recently. If tenders are received in this country and in Rupees, it will prevent the absurdity of orders going to the High Commissioner for typewriter ribbons when they can be had very easily and perhaps more cheaply from the numerous typewriting materials agencies now established in this country.

With reference to the cost of inspection abroad, my Committee suggest that the Government should give a retainer to some Engineering firms and Engineers and professional experts to carry on the inspection of the Stores, orders for which have been placed in those countries by the High Commissioner for India. They may be paid fees for the work done. Such a procedure would do away with the necessity for special extra expenditure for the inspection of Stores abroad as the retainer and inspectfon fees will not be more than the remuneration paid to the Inspecting Staff in Great Britain.

No. S-424 Dated 9th May 1924.

From the Government of India, Department of Industries and Labour to Chamber.

Subject :—Half-yearly statements prepared by the High Commissioner for India in London showing cases in which the lowest tender for stores required by the Government of India has not been accepted.

I am directed to refer to your letter No. T-430 dated the 15th April 1924 on the subject of the half-yearly statements prepared by the High Commissioner for India in London showing casses in which the lowest tender for stores required by the Government of India has not been accepted.

2. As regards those cases in which quicker delivery has been stated as the reason for accepting a tender which was not the lowest, your Committee suggests that officers in charge of indenting departments should be required to estimate their requirements sufficiently

far ahead to enable them to despatch their indents in good time to the Director General of Stores, London, thus obviating the necessity for undue haste on the part of the London Store Department in making the necessary purchases. In regard to this point I am to say that the principle advocated by your Committee is in force. Circumstances will inevitably arise in which indents must be placed for unforeseen requirements, but the Government of India and the High Commissioner keep a careful watch over cases in which immediate supply is requested. As regards the substitution of an Indian for a foreign source of supply, the Government of India note the recommendation made by your Committee. They are not yet in a position to make a further statement on the proposal to adopt a system of rupee tenders in India, but they confidently anticipate that the establishment of the Indian Stores Department coupled with the revision of the Stores Purchase Rules, which has recently received the sanction of the Secretary of State, will result in a steady growth of the proportion of Stores purchased in India.

3. As regards the cost of Inspection outside Great Britain, the suggestion made by your Committee that an engineering firm or other expert agency should be specially retained to conduct the inspection of stores in countries other than the United Kingdom would not, in the opinion of the Government of India, effect economy. There are few cases in which British tenders have been accepted in preference to Continental tenders solely on account of the extra cost of inspection abroad, and in these few cases the difference between the two tenders has been small. Inspection on the Continent is carried out either by the Consulting Engineers employed by the High Commissioner or by the Staff of the London Store Department itself. In the former case the only cost involved is the actual pay and travelling allowance of the Inspector employed; in the latter case only the Inspector's travelling allowance. If a second firm of Consulting Engineers were employed specially for such inspections it would be necessary to pay them, in addition to out-of-pocket expenses, an additional sum representing their profit.

APPENDIX 31

PURCHASE OF 37 LOCOMOTIVES BY THE BENGAL NAGPUR RAILWAY.

Dated 5th July 1924.

Telegram From Chamber to the Railway Board, Government of India.

"Committee Indian Metchants' Chamber desire to know whether the purchase of 37 locomotives by Bengal Nagpur Railway in the United Kingdom was in accordance with stores rules and in cheapest market, and whether any tenders were called for in India, whether the outlay on these 37 locomotives is part of the 150 crores programme, whether these 37 locomotives were included in the 60 locomotives which Mr. Hindley is reported to have given in page 171 of Tariff Board's report as requirements of Indian Railways for 1924–25. Committee request an early reply to enable them to make representation. Inchambu."

No. 2149–S dated 22rd July 1924.

From the Government of India Railway; Department (Railway Board) to Chamber.

Purchase of 37 Locomotives by the Bengal-Nagpur Railway.

With reference to your letter No. T. 758, dated the 5th instant, regarding the above purchase, I am directed to reply seriatim to your questions:—

(1) The call for tenders was made by the Railway Company in accordance with the terms of its contract, and the Railway Board

has no detailed information about it. Bnt they see no reason to doubt that in placing the contract the Railway Company had due regard to the principles laid down in the letter of the Government of India to the High Commissioner for India which is reprinted in the official report of the Indian Legislative Assembly for Saturday 28th March 1922.

(2) Tenders for these Locomotives were not called for in India.

(3) The outlay on these 37 Locomotives is part of the 150 crore programme.

(4) These Locomotives were not included in the 60 Locomotives for which tenders were invited in November last. The footnote on page 345 of the Evidence Volume III accompaying the report makes this clear.

APPENDIX 32.

NEW STORES PURCHASE RULES.

No. 217-S. 13th May 1924.

Government of India, Department of Industries and Labour. Simla, the 6th May 1924

Resolution.

In their Resolution No. 81-D., dated the 15th November 1919, the Government of India announced their intention to constitute a committee to deal with the proposal made by the Indian Industrial Commission for the creation of an Indian Stores Department. The terms of reference and personnel of this Committee were announced in Resolution No. B.-506-11, dated the 5th December 1919. The Committee were directed to enquire and report on the measures

required to enable Government Departments to obtain their requirements as far as possible in India, what central and local agencies should be constituted for the purchase and inspection of such requirements and what modifications of the Stores Purchase Rules would be required to give effect to their recommendations. This Committee submitted its report to the Government of India on the 19th July 1920.

2. The Committee were unable to agree in regard to the modifications which should be made in the Stores Purchase Rules and certain alternative recommendations were offered. After careful consideration of these alternatives the Government of India arrived at certain provisional conclusions, which, together with a revised draft of the Stores Purchase Rules, were sent to the Provincial Governments for their consideration and advice. In the meantime the purchase of stores by Governors' Provinces had ceased, under the reformed constitution, to be a central subject. It was accordingly made clear that the revised rules under consideration were intended for application only to the Government of India and to Provinces other than Governors' Provinces. On receipt of the replies from the Local Governments the revision of the rules was further considered by a Committee of the Legislature (the Railway Industries Committee) which had been appointed in pursuance of a Resolution adopted by the Legislative Assembly on the 2nd March 1922. The rules approved by this Committee were submitted to the Secretary of State for his approval.

3. The Secretary of State in Council has now approved the rules appended to this Resolution, which will henceforth regulate the purchase of stores by all Departments and officers of the Central Government and of the Local Governments and Administrations other than those of the Governors' Provinces. The main features of the new rules consist in the assertion of a more definite preference for stores produced and manufactured, wholly or partly, in India, an important extension of the power to purchase imported stores and the introduction of a central purchasing agency in India, namely, the Indian Stores Department. This Department, as

announced on the 10th December 1921, was created on a temporary basis with effect from the 1st January 1922, on which date the Chief Controller of Stores assumed charges of his duties and proceeded to formulate a detailed scheme of organisation. This scheme, after consideration by the Government of India, was submitted to the Secretary of State who has now sanctioned the constitution of the Indian Stores Department on a permanent basis.

4. The revision of the Stores Purchase Rules and the establishment of the Indian Stores Department are the direct outcome of a policy which aims at the encouragement of the industries of the country without sacrificing economy, and the Government of India take this opportunity of impressing upon all Departments and officers purchasing stores the importance which they attach, not only to a strict adherence to the letter of the rules, but also to a loyal observance of the policy underlying them, as stated in the preamble to the rules. The observance of this policy, coupled with utilisation to the fullest possible extent of the services of the Indian Stores Department, will, it is confidently anticipated, promote both the objects which the Government of India have in view, namely, encouragement of manufacture in India and economy in the purchase of Government stores.

Order.—Ordered that this Resolution be communicated to all Local Governments and Administrations, the several Departments of the Government of India (including the Financial Adviser, Military Finance), the Private and Military Secretaries to His Excellency the Viceroy, all Heads of Departments subordinate to this department, the Auditor General, and all Accountants General, the Comptroller of Assam, Deputy Accountant General, Central Revenues, Delhi, the Financial Adviser, Posts and Telegraphs, and the Audit Officer, Indian Stores Department.

Ordered also that the Resolution be communicated to the High Commissioner for India and to Chambers of Commerce and that it be published in the Supplement to the *Gazette of India* for general information.

Rules for the Supply of Articles for the Public Service.

Preamble

The policy of the Government of India is to make their purchases of stores for the public service in such a way as to encourage the industries of the country, so far as is consistent with economy and efficiency. In pursuance of this policy the following rules are prescribed, with the sanction of the Secretary of State, for the supply of articles for the public service. These rules, which are subject to any instructions regarding specific articles which have been or may be made by the Government of India with the sanction of the Secretary of State from time to time (*e.g.*, those relating to the supply of stationery and printing stores for the public service), supersede all Previous orders which are not explicitly continued.

The rules are applicable to the Government of India and to provinces other than Governors' Provinces.

Rule 1.—Articles manufactured in India from Indian materials

All articles which are produced in India in the from of raw material, or are manufactured in India from materials produced in India should, in preference to articles not manufactured in India or wholly or partly manufactured in India from imported materials, be purchased locally, provided that the quality is sufficiently good for the purpose, and the price reasonable,

Note.—Although a strict comparison of prices is not enjoined by this rule, it is essential in the interests of economy that the purchasing officer should take into consideration, so far as may be possible, the price at which articles of similar quality not manufactured or produced in India can be purchased at the time.

Rule 2.—Articles manufactured in India from imported materials.

Articles wholly or partly manufactured in India from imported materials should also be purchased in India in preference to articles not manufactured in India, provided that the quality is sufficiently good and the price not unfavourable.

Rule 3.—Articles which are not manufactured in India

Articles which are not manufactured in India should be obtained by indent upon the Store Department, London, except in the following cases:—

(*a*) When the articles are already in India at the time of order are already on their way out, and their price and quality are not unfavourable as compared with those at which similar articles could be obtained through the Store Department, London, and the cost of the supply does not exceed the limits prescribed in Rule 11. When the total value of the articles required is trifling it is generally desirable to purchase them locally.

(*b*) In the case of important construction works let out on contract, articles not manufactured in India required for the construction of such works may be supplied by the contracting firm subject to the following conditions:—

(*i*) That the firm is approved by the Chief Controller of Stores, Indian Stores Department, and is included in the list of firms so approved (List I).

(*ii*) That the materials are subject to the current specifications and tests prescribed by the Government of India.

(*c*) Plant and machinery and component parts there of may be purchased from branches* established in India manufacturing firms borne on the list of the Chief Controller of Stores, Indian Stores Department (List II), provided that the following conditions are observed :—

Note 1.—It should clearly be understood by indenting officers that this rule is subject to the preference which should be given under Rules 1 and 2 to articles of Indian manufacture.

Note 2.—Application for inclusion in the lists mentioned in this rule should be made to the Chief Controller of Stores, Indian Stores Department, direct by the firm with a full statement of the reasons which in its opinion justify such inclusion.

(*i*) That the purchase is made by the Chief Controller of Stores, Indian Stores Department, or by a highly qualified engineer directly responsible to the Government of India for the order so placed.

(*ii*) That the plant and machinery are of standard patterns such as are ordinarily manufactured by the firm, and have actually been so manufactured.

(*iii*) That the branch firm entertains a staff of expert mechanics capable, when so required, of erecting and repairing the plant and machinery which it supplies.

(*iv*) That the actual price of the articles (exclusive of any expenditure representing cost of erection) is as low as that at which articles of the same make can be supplied by the Store Department, London.

(*v*) That when test or inspection of the plant or machinery during manufacture or before shipment is necessary or desirable arrangements are made for such test and inspection to be carried out by the India Store Department, London.

Rule 4.—Articles which should be purchased in India

The following articles, whether manufactured or produced in India or not, should be purchased in India provided that they comply with the current specifications, are of the requisite quality, and can be obtained at a not unfavourable price:—

(*a*) Those of a perishable nature. (*b*) Explosives. (*c*) Block tin. (*d*) Wines and spirits and bottled beer for the use Government hospitals in India. (*e*) Kerosine oil. (*f*) Plant and materials for electric installations intended to take current from existing centres;

and small electrical power and lighting plants of not more than 25 kilowatt capacity, which involve the provision of generators and cables for distribution, provided they comply with the current specifications and tests prescribed by the Government of India. (*g*) Australian timber. (*h*) Australian copper. (*i*) Italian marble. (*j*) British Columbian timber. (*k*) Plant and materials for small gas installations, the cost of which does not exceed Rs. 15,000. (*l*) Cheap articles of common use required in small quantities only. (*m*) African and Australian coal. (*n*) Lubricating and fuel oil. (*o*) Such other classes of articles, that can be obtained more economically in the local market or that cannot conveniently be purchased through the agency of the London Store Department, as may from time to time be prescribed by the Government of India.

Rule 5.—Special purchases in India

In cases of emergency, or when inconvenience to the publice service would be caused by waiting to obtain an article from England through the India Store Department, London, or when, owing to the greater promptitude of supply, an economy can be effected by purchasing in India articles which, under the foregoing rules, should be obtained through that Department, the purchase may be made in India, subject to the limits prescribed in Rule 11, provided that the articles are in India at the time of order or are already on their way out. In such cases, if the value of the articles exceeds Rs. 1,500, the sanctioning officer should place on record the reasons which make the local purchase desirable. This record shall be available for the inspection of the Examiner of Accounts or the supervising officer, when required.

Rule 6.—Inter-departmental purchases

Nothing in the rules is to be deemed to prohibit the purchase of stores by one department or railway from another.

Rule 7.—Method of obtaining stores not purchased in India

All article which, under the foregoing rules, are not to be bought in India, should ordinarily be obtained by indent on the India Store

Department, London, except those the purchase of which outside India is specially authorised by these rules. Such purchase is at present permissible in the case of the following articles:—

(*i*) Seeds. (*ii*) Cinchona bark. (*iii*) Articles for experimental or research purposes required by officers approved by the Government of India from time to time. A list of the officers thus approved is given in the Appendix. (*iv*) Excise instruments and apparatus required by Excise Departments for experimental or research purposes. (*v*) China, glass, cutlery, plate, crockery and perishable fabrics, including linen for residences which are furnished by Government. (*vi*) Australian timber. (*vii*) British Columbian timber. (*viii*) Such articles as Superintendents of Vaccine Depots may require for the preparation of vaccine lymph (*e.g.*, lanoline and glycerine). (*ix*) Chemicals and scientific instruments which do not require careful inspection and testing, or which are of standard description usually quoted by well-known firms, provided that the articles cannot be procured from the Medical Store Depots. (*x*) Articles required for Viceregal residences in special and urgent cases.

Note.—Payments for stores purchased under this rule should be made direct to the suppliers by the purchasing officers.

Rule 8.—Method of comparing prices

In all cases in which the selection of source of supply depends upon comparison of prices the procedure to be adopted for such a comparison is as follows:—

(*i*) A reference should be made to Home prices notified continually by the India Store Department, London, to the Chief Controller of Stores, Indian Stores Department, or as otherwise ascertained, and freight should be added at the current rates paid by the India Store Department, London, together with such charges for interest, insurance, and freight brokerage as may be declared from time to time by the Chief Controller of Stores.

(*ii*) In cases of important contracts, the prices ruling in the English market should be ascertained by telegraphic reference to the India Store Department, London.

(*iii*) In cases where the necessary information as to Home prices is not available the purchase in India shall be subject to the condition that the price is reasonable.

(*iv*) In order to arrive at the market value at an Indian port of the article imported from England the following charges shall be included :—

(*a*) Landing, wharfage, and port charges.

(*b*) Customs duty as shown in the tariff to be applicable to the article in question, to be calculated on its cost *plus* the additional charges mentioned in the earlier part of this rule.

(*v*) The cost of carriage to site from port or place of manufacture, as the case may be, shall be taken into account.

Rules 9.—Tests.

Any articles purchased in India which should be tested are liable to the specifications laid down from time to time by competent authority, with the approval of the Government of India, and should be required to pass the tests prescribed for such articles.

Rules 10.—Firms from which iron and steel may be brought in India.

Important iron and steel work, if purchased in India, should only be obtained from firms approved by the Chief Controller of Stores, Indian Stores Department, and entered in a schedule as corrected from time to time by that officer (List III).

Note 1.—By "important iron or steel work" are meant articles of iron or steel which form important components of the project in

hand, *e.g.*, bridge girders and roof trusses, built up in the firm's workshops and supplied ready for erection, in such sections as may be convenient, and rolled steel beams. rails or other sections cut to length or otherwise prepared at the firm's workshops to suit the indenting officer's requirements. The intention of the rule is to ensure that parts, the accurate preparation of which is essential to the security of a project, shall be obtained only from firms which possess workshops and appliances capable of turning out work of the desired standard. The raw materials used may be either imported or of Indian manufacture, subject to the usual specifications.

Note 2.—For the procedure to be followed by firms desiring to be included in the list mentioned in this rule see Note 2 to Rule 3.

Rule 11.—Financial limits on powers of officers to make purchases in India

A Department or officer's financial powers in the matter of the purchase of stores ordinarily extend to the limits to which it or he is empowered to enter into contracts; but in the case of purchases made in India under rule 3 (*a*) and rule 5, the limits up to which power to purchase any one article or any number of similar articles purchased at one time extends are as follows :—

In respect of rules 3 (a) and 5.

(*a*) *Civil Departments*

	Rs.
(*i*) Departments of the Government of India other than the Railway Department (Railway Board) and the Department of Industries and Labour, Public Works Branch ...	1,000
(*ii*) Heads of Departments, Commissioners of Divisions and other officers of or above the rank of Collector whom the Local Government may select	500
(*iii*) Other officers authorised to incur expenditure.	100

	Rs.
(*iv*) The President. Forest Research Institute, Debra Dun	2,000
(*v*) Surveyor General of India...	Full powers
(*vi*) Agricultural Adviser to the Government of India and Director of the Agricultural Research Institute, Pusa	,,
(*vii*) Director General of Observatories	,,
(*viii*) Director-General, Posts and Telegraphs ...	,,
(*ix*) Political Resident, Persian Gulf	,,
(*x*) Chief Commissioner, Andaman and Nicobar Islands	,,
(*xi*) Mint Masters	,,
(*xii*) Local Government	,,

Note.—In respect of purchases made for *to shakhana* purposes the Foreign and Political Department has full powers.

(*b*) *Public Works Department*

	Rs.
(*i*) Executive or Assistant Engineer holding charge of a Division	1,000
(*ii*) Superintending Engineer or Superintendent of Works	5,000
(*iii*) Local Government and Department of Industries and Labour, Public Works Branch ...	Full powers

(*c*) *Railway Department.*

	Rs.
(*i*) Executive or Assistant Engineer holding charge of a Division on a line under construction or survey	1,000

	Rs.
(*ii*) Engineer-in-Chief holding charge of a line under construction or survey	5,000
(*iii*) Agent of an open line	10,000
(*iv*) Railway Board...	Full powers

Note.—Agents of open lines may delegate to their Engineers-in-Chief, Executive Engineers, or Assistant Engineers holding charge of a Division such power of purchase as they deem fit up to the limits specified for lines under construction, and to their Controllers of Stores up to the limits specified for Executive Engineers.

(*d*) *Army Department.*

	Rs.
(*i*) Engineer-in-Chief, Army Headquarters ...	Full powers.
(*ii*) Air Officer Commanding, Royal Air Force in India	30,000
(*iii*) Chief Engineer; General Officer Commanding-in-Chief, Commands	15,009
(*iv*) Commanding Royal Engineer; District; Commanders and Director General, Indian Medical Service	10,000
(*v*) Assistant Commanding Royal Engineer; Officer Commanding, Independent Brigade Area; Director of Ordnance Factories; Director, Royal Indian Marine; Director of Remounts and Director of Farms ...	5,000
(*vi*) Officers Commanding Brigades or Brigade Areas	2,000
(*vii*) Indian Army Service Corps, Officer on Special Duty in Kashmir	1,000

	Rs.
(viii) Chief of the General Staff; Adjutant General in India; Quartermaster-General in India; Master General of Supply; Director, Medical Services; Military Accountant General; Controllers of Military Accounts and Deputy Assistant Directors of Remounts, Commands	500
(ix) Assistant Controller of Dairy Farms; Officers Commanding Stations; Superintendent, Ordnance Factory; Inspector (Ordnance Department); Proof and Experimental Officer, Balasore (Ordnance Department); Officer in Charge, Medical Store Depot; Commandant, Indian Staff College, Quetta; Commandant, Prince of Wales' Royal Indian Military College, Dehra Dun; Assistant Controller of Grass Farms; Officer Commanding a Wing, Royal Air Force; Officer Commanding, Aircraft Depot, Royal Air Force and Officer Commanding, Aircraft Park, Royal Air Force	400
(x) Military Secretary, Army Headquarters ...	250
(xi) Chief Ordnance Officer; Chief Inspector of General Strores; District Remound Officer, and Superintendent, Remount Depot ...	200
(xii) Officer Commanding a unit; Senior Medical Officer, Indian Medical Service, of a Station; Recruiting Officer for Gurkhas, Gorakhpur; Assistant Inspectors (with the exception of the Assistant Inspector in charge of General Stores) Ordnance Department and Officer Commanding a Squadron, Royal Air Force	40

	Rs.
(*xiii*) Officers (ordnance or departmental) in charge of depots	20

(*e*) *Indian Stores Department.*

(*i*) Chief Controller of Stores	Full powers.
(*ii*) Metallurgical Inspector	1,000
(*iii*) Superintendent, Government Test House ...	1,000

Note 1.—The financial limits imposed under this rule in respect of purchases made under rules 3 (*a*) and 5, do not apply to the purchase of articles required on mobilisation or during the continuance of military operations.

Note 2.—These powers are subject to the rules of the budget system. No sanction may be given which will involve expenditure from the budget grant of any future year. The powers extend to each sanction, whether against Army, Military Works of Marine funds. In the case of the Ordnance, Medical Stores, and Remount Departments, the Divisional, Brigade and Station Commanders are not competent financial authorities.

Note 3.—The Government of India are authorised to modify this list and the monetary limits hereby prescribed at their discretion

Rule 12.—Power to sanction departures from the rules.

The Government of India have power to sanction departures from the rules in cases in which departure is in the public interest, subject to a report to the Secretary of State if the expenditure exceeds Rs. 50,000 in any single case. Applications for sanction in such cases should be made to the Government of India in the Department of Industries and Labour.

Appendix.

List of Departments and officers referred to in rule 7 (iii), serving directly under the Government of India or in Provinces other than Governors' Provinces who are authorised to obtain direct from manufactures or dealers in England or in any other foreign country such articles as they may require for experimental or research purposes.

Superintendents of X-ray Institutes. Chemical Examiners. Superintendents of Vaccine Depots. Principals of Medical Colleges. Superintendents of Medical Schools. Directors of Bacteriological, Pathological or Research Laboratories, including officers in charge of Divisional and Brigade Laboratories. Principals of Arts Colleges. Principals of Technical and Industrial Institutes. Directors of Industries. Directors of Public Health. Principals of Training Colleges. Surveyor General of India. Inspector General of Forests. Director-Generals of Observatories. Director of the Botanical Survey. Agricultural Adviser to the Government of India and Director, Agricultural Research Institute, Pusa. Director and First Bacteriologist, Imperial Bacteriological Laboratory, Muktesar. Imperial Agricultural Chemist. Imperial Mycologist. Imperial Entomologist. Imperial Economic Botanist. Imperial Agricultural Bacteriologist. Imperial Agriculturist. Physiological Chemist. Imperial Dairy Expert. Director General of Archæology. Directors of Agriculture. President, Forest Research Institute and College. Director, Geological Survey on India. Railway Board. Directors of Public Instruction. Director of the Zoological Survey of India. Metallurgical Inspector. Superintendent, Government Test House. Commissioner, Northern India Salt Revenue. Master General of Supply. Director of Ordnance Factories. Director of Artillery. Archæological Chemist in India. Government Examiner of Questioned Documents. Director-General, Posts and Telegraphs.

No. T-1464 dated 10th December 1924

From Chamber to the Government of India, Department of Industries and Labour, Delhi.

I am directed by my Committee to place before Government the following considerations with regard to the Stores Rules which have been published. My Commiteee regret to note that even after the Assembly have passed with overwhelming majority, in which representative men of all communities joined, the resolution asking that all tenders for Government requirements should be called in this country and in Rupees, the Government of India should have thought fit to publish Rules, which go absolutely contrary to that principle. My Committee regard this matter of the Stores Rules as a deplorable example of the extent to which public opinion in India fails to make any impression on the machinery of Government.

The Stores Rules as now published are fundamentally wrong. My Committee do not wish to deny that they show some minor improvement over the Rules, which have been in operation for some years past, which have been found by experience to be opposed not only to the best economic interests of India, but also to the most economical outlay of public funds for Government requirements in various department. My Committee desire to reiterate their conviction that, unless all tenders for Government passed through one single channel, viz, the Indian Stores Department, consideration of economy or the carrying out of policies in encouragement of Indian industry to which the Government are pledged, could not be possibly accomplished. The continuance, therefore, of the London Stores Department is unsound. The existence of a Stores Department in London as a branch of the Indian Stores Department for making enquiries and for effecting inspection where necessary is not objectionable, but that is not what is contemplated in the new Stores Rules.

Another grave defect of the new Stores Rules is the continuance of purchase by the Purchasing Officers of each department as hitherto. One of the benefits which was sought in the establishment of the

Indian Stores Department, was that these purchases would be all pooled and Government would secure the benefit of collective bargaining. It was also intended that, apart from this, Government would secure expert handling of some of the matter and of inspection. To these advantages was to be added the removal of some of the evils necessarily attached to purchases by officers, who are neither by their early trainig nor by the multiplicity of functions which they handle, capable of effecting advantageous purchases. My Committee cannot understand why the Government of India should have disregarded all considerations in these directions urged by the public from time to time.

In so far as the appointment of the Stores Purchase Committee of 1919–20 was a direct result of the Indian Industrial Commission, my Committee also see in the Stores Rules now published a marked denial of just those advantages, which Indian industry was to be awarded by better organisation of stores purchase at the hands of the Government. The clearing house of commercial intelligence and the fit and proper channel for disseminating information about the Indian products to the departments and about Government purchases to the commercial community as the Indian Stores Department was expected to be, is under the scheme of these Stores Rules reduced to a mere fifth wheel of Government, incapable of rendering any assistance to the individual purchasing officer who is still permitted to indent direct on London and to whom sending of any indent to the London Stores Department offers fatal facility and freedom from all reasonable responsibilities. My Committee would desire a clear statement of Government's views on the subject as to why the Indian Stores Department has been instituted if a purchasing officer could send off an indent direct to the London Stores Department.

Considering the delays in formulating a suitable policy after the report of the Stores Committee, my Cammittee are inclined to think that Government are hampered by administrative and constitutional difficulties. My Committee would respectfully enquire whether Government have made any effort to ask the Secretary of State to relax the powers, which are reserved to him under the Government

of India Act, to make rules for the purchase of imported stores, and, if not, whether they propose to make this request forthwith in view of the practical bearing of this subject on the entire Stores policy of the Government as well as on the industry and trade of this country. My Committee are earnestly desirous of appreciating any difficulties, which Government may have in giving effect to policies which have been urged over and over again not only by the Indian but also by the Europaen commercial community. They are disappointed that the establishment of the Indian Stores Department, from which great results were anticipated judging from assurances and statements emanating from Government from time to time, has not led to the realisation of those expecations. If the Stores Department is established, as it is now, what possible objection could there be to allowing the Department to make purchases for State Railways and the Military? Nor can my Committee understand why the freedom of stores purchases, which the Provincial Governments have technically been granted, should be hampered by the Provincial Governments being compelled to follow the Rules, which as in the case of the Rules under criticism failed to yield even fractionally to the united public opinion of India.

My Committee therefore consider the present set of rules as entirely unsatisfactory and as not conducing to forward the best interests of this country. They therefore beg to submit a revised draft of Stores Purchase Rules and trust that the Government will see their way to adopt the suggested rules at the earliest possible date.

Rule 1.—Articles manufactured in India from Indian materials.

All articles, which are produced in India in the form of raw material, or are manufactured in India from materials produced in India should, in preference to articles not manufactured in India or wholly or partly manufactured in India from imported materials, be purchased locally, provided that the quality is sufficiently good for the purpose and the difference in price does not exceed 10 percent.

Rule 2.—Articles manufactured in India from imported materials.

Articles wholly or partly manufactured in India from imported materials should also be purchased in India in preference to articles not manufactured in India, provided that the quality is sufficiently good and the difference in price does not exceeds 5 percent.

Rule 3.—Articles which are not manufactured in India.

Articles which are not manufactured in India shall be purchased by indent on the Chief Controller of Stores, India, who shall call for simultaneous tenders for same both in India and in England in Rupees and for delivery in India, such tenders to be returnable to him in India to be dealt with by him, and the results of all such tenders shall be duly made public.

Provided however that the successful tenderer shall be only such firm or individual whose name appears on the List of firms approved by the Chief Controller of Stores, Indian Stores Department.

Rule 4.—Special Purchases in India.

In cases of emergency or when inconvenience to the public service would be caused by waiting to obtain an article from outside India, or when owing to greater promptitude of supply an economy can be effected by purchasing any articles in India the Chief Controller Stores may so buy them in India even when the apperent cost is greater than that would be possible by getting the supply from outside India.

Rule 5.—Inter-departmental purchases.

Nothing in the rules is to be deemed to prohibit the purchase of stores by one department or railway from another.

Rule 6.—Tests.

Any articles purchased which should be tested are liable to the specifications laid down from time to time by competent authority

with the approval of the Government of India and should be required to pass the tests prescribed for such articles.

Rule 7.—Firms from which Iron and Steel may be bought in India.

Important iron and steel work, if purchased in India, should only be obtained from firms approved by the Chief Controller of Stores, Indian Stores Department, and entered in a schedule as corrected from time to time by that Officer.

Rule 8.—Financial limits on powers of Officers to make purchases in India.

A Department or officer's financial powers in the matter of the purchase of stores ordinarily extend to the limits to which it or he is empowered to enter into contracts ; but in the case of purchases made by such officer himself and not through the Chief Controller of Stores India, the limits up to which power to purchase any one article and any number of similar articles purchased at one time extends are as follows :-

(*a*) Civil Departments, (*b*) Public Works Departments, (*c*) Railway Department, (*d*) Army Department, (*e*) Indian Stores Department,

For all these departments the limits should be the sams as mentioned in the original Rule 11 published by the Government.

No. S-217 dated 16th December 1924.

From the Government of India, Department of Industries Labour to Chamber

Observations on the revised Stores Rules.

I am directed to acknowledge the receipt of your letter No. T-1464 dated the 10th December 1924, on the above subject.

(D) TARIFFS AND TAXATION.

APPENDIX 33.

PROPOSAL TO REVIVE THE FORMER SYSTEM OF PERIODICAL AGREEMENTS TO PAY FIXED INCOME TAX.

Dated 7th January 1924.

Letter From Grain Merchants Association, Bombay to Chamber.

I am directed by my Managing Committee to forward you herewith a copy of the letter addressed to the Commissioner of Income Tax requesting him to revive the former system of periodical agreements to pay fixed income tax. It is hoped your Association will take up the said question and support my Association by making a representation to the Income Tax Commissioner in the matter.

Copy of letter from the Grain Merchants' Association to the Commissioner of Income Tax.

I am directed by my Managing Committee to address you in connection with the revival of the system of agreements to pay income tax on a particular sum for a period of years.

You are well aware formerly the Merchants and the Collector of Income Tax entered into an agreement by which merchants agreed to pay for a fixed period of years the income tax fixed by the Collector. This saved a lot of time and trouble to both the

parties, and the merchants paid income tax even if they did not make any profit. At present this system is discontinued and the Government have to maintain a large staff at a very heavy expense and still it has not lessened the troubles of either the Government or merchants. On the contrary, notwithstanding the increase of staff the merchants have to wait for getting their books examined, for hours and days together and they are always dissatisfied with the way in which the account books are examined and the treatment they receive from the Officers.

My Committee are of opinion that if the former system of periodical agreements with merchants to pay a fixed income tax be revived it will save a good deal of time and trouble to merchants and a heavy burden of work on the income tax Officers Examiners will be lessened.

My Committee therefore request you to consider the advisability of reviving again the former system of periodical agreements to pay fixed income tax.

No. T-f2, dated 14th January 1924.

From Chamber to the Grain Merchants Association.

With reference to your letter dated the 7th instant, I am directed to state as follows :

Under the Income-Tax Act of 1886 Section 31 the Income-Tax Collectors were empowered to enter into Composition Deeds with the Assessees for a period of 3 years (Limited Companies excepted) This system of periodical assessment was cancelled under the provisions of the Income Tax Act of 1922 and the powers vested in the Collectors under the Old Act were remanded.

Income Tax is an annual tax imposed and assessed year by year, and under the circumstances the Income Tax Officer could not bind the Crown as to the basis or amount of assessment payable in future years

The Assesment under Composition Deeds would be after all based on an estimated income, and Government would not permit of such an inacurate assessment however favourable it may be to the Revenue.

APPENDIX 34.

PROPOSED AMENDMENT OF SECTION 42 (1) OF THE INDIAN INCOME TAX ACT, 1922.

No. 38-S. dated 22nd February 1924.

From the Government of India, Finance Department to Chamber.

Subject:—Proposed amendment of Section 42 (1) of the Income-tax Act, 1922.

Section 42 (1) of the Indian Income-tax Act, 1922, runs as follows :—

> "In the case of any person residing out of British India, al profits or gains accruing or arising to such person whether directly or indirectly, through or from any business connection or property in British India shall be deemed to be income accruing or arising, within British India, and shall be chargeable to income-tax in the name of the agent of any such person, and such agent shall be deemed to be, for all the purposes of this Act, the assessee in respect of such income-tax :
>
> Provided that any arrears of tax may be recovered also in accordance with the provisions of this Act from any assets of the non-resident person, which are, or may be at any time come, within British India."

In a racent decision, it has been held by one of the High Courts (1) that the section in question is a mere machinery section, not a charging section, that is, that it does not render any income chargeable that but for the existence of the section, would not be chargeable, (2) that the section can only be applied where a person resident in British India actually receives income on behalf on a non-resident, and merely indicates how the tax can be recovered in such cases, and (3) that the expression "business connection" is very vague and could not be held to cover anything which would not be covered by the word "business" used in section 6 which is regarded by the High Court as the only charging section in the Act. The decision actually had reference to the Act of 1918, but section 5 of that Act of 1918, but section 5 of that Act is practically the same as section 6 of the Act of 1 22, and section 33 (1) of the Act of 1918 is indentical with section 42 (1) of the Act of 1922. Virtually therefore the decision interprets the latter section. The interpretation placed by the High Court on the section very gravely diminishes, if it does not altogether destroy, its utility. In the case in question the assessee company was a branch of, or a firm on the Continent. In such cases it is possible for the parent and the subsidiary firms so to adjust their accounts and so to arrange their transactions that no profits shall ostensibly accrue or arise or be received in British India. It was to enable the assessment of non-resident firms on a reasonable profit arising out of transactions in British India conducted through a subsidiary firm, agent etc., that this section was enacted. The expression "business connection" was intentionally chosen to make the scope of the section as wide as possible, so that it might apply to cases in which courts of law might hold that the foreign ffrm was not actually conducting "business" in British India, though practically the foreign firm was competing with resident firms Detailed instructions have been issued as to the different classes of cas s to which the section should or should not be applied. In order to give effect to the intentions of the Legislature it is now propoposed to amend section 42 (1) so as to run more or less as follows :—

"In the case of any person residing out of British India, all

profits or gains accruing or arising to such person, whether directly or indirectly, through or from any agent, agency, subsidiary firm, branch or other business connection in British India, or through or from any property in British British India, shall notwithstanding that such profits or gains are not actually received in Brltish India, be deemed to be income accruing or arising within British India within the meaning of sub-section (1) of section 4, and shall be chargeable to income-tax under the head "business" or under the head "property", as the case may be, in the name of the agent of any such person and such agent shall be deemed to be, for all the purposes of this Act, the assessee in respect of such income-tax."

2. Before the necessary legislation is undertaken, I am directed to ask that the Government of India may be furnished with the views of your Chamber on the proposal.

No. T-330, dated 31st March 1924.

From Chamber to the Government of India, Finance Department.

I am directed to send herebv views of the Committee of this Chamber on the proposed amendment of Section 42 (1) of the Indian Income-Tax Act, 1922, in reply to your letter of the 22nd February 1924, No. 38-S.

The Committee approve of the suggestion of the Government conveyed in this letter. At the same time they should like to know why there is no mention in the proposed new Section of arrears of tax which are provided for in the present Section 42 (1). They may also be allowed to state that there is general feeling that non-Indian firms have not been assessed to their full quota of taxation in the same way as Indian firms have been. To take an instance, a firm has sold 200,000 bales of cotton and 100,000 tons of seeds and

wheat and imported 25,000 packages of piecegoods and sundries: my Committee would like to be informed how the profit of such a firm is being assessed in future if its Head office happens to be in Japan or on the Continent.

No. 1380, dated 28th April 1924.

From the Government of India, Finance Department (Centre Revenues) to Chamber.

Subject:—Non-residents—Taxation of—Business connection—Income-tax Act, 1922, Section 42 (1)—amendment of Your letter No. T-330, dated 31st March 1924.

In reply to your letter quoted above, I am directed to say that the proviso to the present section 42 (1) will be retaind when the section is amended as proposed. With regard to the question that you ask to the method of taxation in cert in cases, I am to say that your question is framed in too general a form to admit of a definite answer. Much depends on the circumstances of the individual case and the manner in which business is arranged, It may be said generally that the object of the Government of India is, as far as possible, to place firms with their head-quarters abroad which are conducting business in India in exactly the same position, as regards income-tax, as firms with their headquarters in India engaged in the same kind of business. A great variety of different cases may arise in practice, and I am to invite your attention to paragraph 82A on pages 112 116 of the Income-tax Manual, which indicates how different classes of cases are dealt with.

2. I am to express the hope that this will give your Chamber the information that they require.

No. T.-559, dated 14th May 1924.

From Chamber to the Government of India, Finance Department (Central Revenues)

I am directed by my Committee to acknowledge receipt of your letter No. 1380 dated the 28th April 1924 and to state that Sir Purshotamdas Thakurdas, this Chamber's representatives on the Indian Legislative Assembly, will personally discuss the matter with you when he goes to Simla shortly.

APPENDIX 35.

CERTIFICATES OF DEVIDENDS UNDER SECTION 20 OF THE INDIAN INCOME TAX ACT, 1922.

No. 474,-I. T. dated 20th March 1924.

From the Government of India, Central Board of Revenue to Chamber.

Devidends-Certificate under Section 20 Income-tax Act, 1922,

I have the honour to request that the attention of the members of your Chamber may be invited to the following points in connection with the issue of certificates prescribed by Section 20 of the Income-tax Act, 1922:—

(1) That the statutory form of certificate of deduction of income-tax prescribed by rule 14 of the Indian Income-tax rules, 1922, should invariably be used;

(2) That it is desirable that certificate should be printed on the same sheet of paper as the actual warrant with a line of perforation to permit its being detached;

(3) That certificates might also be machine-numbered with advantage;

(4) That it is desirable that the practice adopted by certain Companies of attaching red slips to the certificates, drawing the attention of the recipient to the need for their careful preservation for a year or two should be generally followed.

No. 2556, dated 30th June 1924.

From the Government of India, Central Board of Revenue to Chamber.

Dividends-Certificates of Section 20 Income-tax Act, 1922 Board's Circular letter No. 474–I. T., dated the 20th March 1924.

In partial modification of the instructions contained in the letter quoted above, I am directed to state as follows :—

(1) As regards suggestions (2) and (3) in the letter quoted above, it has been represented that in some cases in which Banks collect dividends on behalf of their constituents, it would not be possible to comply with the instruction that certificates granted under Section 20 of the Income-tax Act, 1922, should be on the same sheet of paper as the actual warrant. In such cases, the Government of India understand that the companies send the banks a consolidated dividend warrant for all the dividends due in respect of the block of shares for which the bank is acting and at the same time issue separate certificates for the shareholders by whom the shares are owned, I am accordingly to suggest that as an alternative to the procedure of issuing the certificate as part of the warrant, the dividend warrants should be machine numbered and all certificates granted under section 20 of the Act relating to a particular dividend:

should bear the same number as the corresponding warrant so as to make it clear to which warrant each certificate relates Thus when certificates are issued to a Bank for say twenty constituents relating to a dividend covered by warrant No 1, the certificates should be numbered by hand 1/1, 1/2, 1/3, to 1/20.

(2) As an alternative to suggestion (4) in the letter quoted, the Board recommend the practice of printing in red ink on the face of the certificate a caution that the recipients should preserve it carefully for a year or two

(3) I am also to suggest that it is desirable to print on the certificate a note to the effect that shareholders in India may claim refund of tax under section 48 (1) of the Act in respect of the dividends if their personal rate is less than the maximum.

No. T.-826, dated 16th July 1924.

From Chamber to the Central Board of Revenue Government of India.

With reference to your letter No. 2556, dated the 30th June 1924, I am directed by my Committee to suggest that as the information contained theirin is very useful to the commercial community and to the general public, it should be given as wide a publicity as possible in the form of a Press-note.

APPENDIX 36.

PROPOSED LEGISLATION FOR ASSESSMENT OF REGISTERED FIRMS TO SUPER-TAX.

No. 2222, dated 7th June 1925.

From the Government of India, Finance Department (Central Revenues) to Chamber.

Super-tax—Registered firm—Change in constitution of firm—Change in partners' shares—Liability of individual partner—Bombay High Court decision—Proposed Legis-

Owing to a recent decision of the Bombay High Court on a reference under section 66 of the Income-tax Act, 1922, made by the Commissioner of Income-tax, Bombay, the practice hitherto followed by the Income-tax Department in the matter of assessing the partners of a registered firm to super-tax when there has been a change in the respective shares of the partners or in the personnel of the firm, has been declared illegal. The Government have therefore to decide what steps they should take in consequence, and I am directed to invite the views of your Chamber on the subject.

2. It will be remembered that a registered firm is not assessed to super-tax. The partners are liable to tax on their individual shares. The question is whether they are to be taxed on their shares according to the constitution of the firm, and the arrangements as to the distribution of profits, in force in the year in which the profits that are being taxed were earned (the 'previous year' of the Income-tax Act), or according to the state of affairs in the year in which the tax is levied.

3. If, for instance, A's share in the year 1923–24 was $\frac{3}{8}$, and in the year 1924–25 is $\frac{3}{4}$, is he to be taxed in 1924–25 on $\frac{3}{8}$ of the profits of the year 1923–24, or on $\frac{3}{4}$ of those profits?

Similarly, if in the year 1923–24 the partners are A, B, C and D, and in the year 1924–25 the partners are B, C, D and E,—A having retired—can B, C, D and E be taxed on the profits of the year 1923–24 divided according to the arrangement in force in 1924–25—so that the incoming partner E will in fact be taxed on profits that he never received and the outgoing partner A will pay nothing—or, if not, what is the correct course and how is super-tax to be secured on the entire profits, supposing that—as often happens—the retiring partner A has left India and the income-tax authorities therefore cannot get at him ?

4. The same question does possess some importance in regard to income-tax, in connection with the determination of the 'total income' of each partner—which is the same for income-tax and for super-tax,—but so far as income-tax is concerned, the entire tax can be recovered from the firm, if necessary, and though puzzles may arise in regard to the calculation of any refunds due to partners under section 48 where the individual income of any of them is liable to tax at a rate lower than the maximum rate of income-tax applicable to the income of a registered firm, the revenue cannot suffer.

5. The practice of the Department has been to make the assessment on the basis of the arrangements in force in the year in which the assessment is made. Each partner is thus assessed with reference to that share of the profits to which he is entitled in the year in which the assessment is made. An incoming partner is taxed on part of the profits of the previous year even though he never got it in any sense, as in the example in paragraph 3 above.

The Bombay High Court has now held that this is wrong and that each partner must be taxed on the share to which he was entitled in the year in which the profits were earned.

6. The difficulty created by this decision is that it leaves the Income-tax Department with no means of recovering the super-tax due by a partner in a registered firm who has retired and left the

country. The Act does not provide for this, presumably because it was intended that super tax should be recovered on the shares of all the actual partners (where they are liable to it) by the method that has actually been followed hitherto and that has been described above.

7. The procedure hitherto followed has been based on section 26 of the Act which runs as follows:—

> "Where any change occurs in the constitution of a firm, or where any person has succeeded to any business, profession or vocation, the assessment shall be made on the firm as constituted or on the person engaged in the business, profession or vocation, as the case may be, at the time of the making of the assessment,

It was supposed that this section which under section 58 applies to super-tax authorised the method that has been followed. The High Court of Bombay has held that it does not.

8. Into the legal arguments involved it is not necessary to enter. The Government have decided not to have recourse to the tedious, expensive and dubious course of applying to the Privy Council for leave to appeal against the decision.

The decision is clearly not inequitable. Nor is the existing procedure inequitable in practice, because so long as firms know what the practice of the Income-tax Department is, partners can always make their own arrangements among themselves as to the payment of the tax. In fact the Government understand that one Commissioner of Income-tax has ascertained informally from an important Chamber of Commerce that its members would prefer the existing practice to continue.

9. It is a matter of indifference from the point of view of revenue whether the existing practice is continued or (so long as tax is secured on the share of a retiring and absent partner) whether the Bombay ruling is followed. In either case the Act must be

amended either to make it clearly authorise the practice that has been followed hitherto, or if the ruling is to be followed, to provide means of recovering from the firm the super tax due by the retiring partner if it cannot be recovered otherwise.

10. At the same time it is necessary to provide how super-tax on the partners of a registered firm is to be recovered when there is no resident partner, as is said to be sometimes the case, a contingency in regard to which the Act [section 57 (1)] as it stands, is silent.

11. I am thesefore directed to enquire whether your Chamber would prefer,

(*a*) an amendment legalising the practice followed hitherto, or

(*b*) an amendment providing for the recovery of the super-tax on the shares of a retiring and absent partner from the remaining partners. It may be replied that the two methods come to the same thing in the end, but, as I have already mentioned, one Chamber of Commerce at least appears to prefer that the existing practice should be followed, and in view of the ruling of the Bombay High Court this cannot be done without an amendment of the Act.

12. I am also to invite an expression of your Chambers opinion on the proposal to insert in section 57 (1 a provision in regard to the recovery of the super tax due by partners of a registered firm when there is no resident partner.

13. I am to say in conclusion that the Government would be glad to be favoured with a reply as soon as possible, as it is desirable to introduce the proposed legislation at the next Session of the Legislature.

No. T.-868, dated 23rd July 1924.

From Chamber to the Government of India,
Finance Department, (Central Revenues).

With reference to your letter No. 2222, dated the 7th June 1924, I am directed to send hereby the views of my Committee;

With regard to paragraph 11, my Committee do not approve of the alternative (*a*) as the assessment would be on a hypothetical figure and not on the actual figure earned by the individual.

My Committee suggest that an amendment providing for the recovery of the super-tax on the share of the retiring or absent partner may be made in section 57 of the Indian Income-tax Act, 1922, enabling the Government to recover super-tax from the surviving or continuing partners of the old or discontinued firm on the lines of section 44 which may be further amended by giving powers under the Act to the surviving or continuing partners to retain in their hands a sum sufficient to pay the supertax chargeable to the retiring partner out of his share of the profits earned. Section 58 will accordingly have to be amended including therein section 26 of the Income-tax Act My Committee trust that it is not the intention of the Government to tax the firm as well as a limited liability Company for super-tax merely on account of the constitution being changed into a limited liability concern as referred in section 26 of the Income-tax Act. Thus for example a registered firm was carrying on business upto the end of 1922 which firm in the beginning of 1923 was converted into a limited Company. At the time of assessment of 1923 24 the partners of the old firm were individually assessed for super-tax for 1923-24 and the newly created private limited l ability Company was also assessed at the flat rate for the same period for super-tax, which means that partners of this firm were assessed twice. In view of the High Court decision this procedure is incorrect and it may be made clear in the amendment.

With regard to paragraph 12, in the case of a registered firm the partners of which are all non-resident, the agent of the firm as whole be made responsible to pay super-tax on behalf of the partners and the amendment made in section 57 (3) holding the business as a whole or the resident liable to pay super-tax.

APPENDIX 37.

AVOIRDANCE OF INCOME-TAX AND SUPER-TAX BY THE FORMATION OF BOGUS FIRMS AND COMPANIES.

No. 2214, dated 7th June 1924.

From the Government of India, Finance Department, (Central Revenues) to Chamber.

Indian Income-tax Act, 1922—Bogus companies and firms—Proposed legislation to prevent avoidance of income-tax and super-tax, by the creation of—Finance Department letter No. 196-S., dated 23rd July 1923.

In their letter quoted above, the Government of India invited the opinion of Chambers of Commerce and certain other public bodies in regard to the advisability of amending the Indian Income-tax Act, so as to prevent the avoidance of income-tax and super-tax in certain cases by the formation of bogus firms and private companies. The Government of India put forward the following tentative suggestions :—

(1) In regard to firms—that the best course would probably be to insert in the Act a provision that where the interest of any partner in a firm is really fictitious and has been created chiefly with reference to the distribution of profits, such interest for the purpose of assessment

to super-tax shall be deemed to be the interest of the remaining partner or partners and in particular that the interest of a wife or children in such cases shall be deemed to be the interest of the husband or the father respectively;

(2) In regard to companies—it was proposed to add a section to the Indian Income-tax Act on the lines of section 21 of the British Finance Act, 1922 (with its schedule). The effect of such an amendment would be briefly that where an Assistant Commissioner considered that any private company did not distribute to its members a reasonable portion of its income from all sources within the year, he would be authorised for the purpose of assessment to super tax, to direct that the income of the company should be deemed to be the income of its members and to apportion it amongst them accordingly.

It was suggested that an appeal should lie to a Commissioner of Income-tax from the decision of Assistant Commissioners in such cases and that a further appeal should lie from the Commissioner's decision to a provincial Board of Referees. The Government of India specially invited an expression of opinion by the commercial community in regard to the latter proposal.

2. It was suggested further that the class of companies to which this new provision should be applied should be private companies formed after the 1st of April 1920 (on which date the Super-tax Act, 1920, came into force and super-tax was for the first time imposed on companies at a flat rate),

(1) in which the number of shareholders did not exceed 50 excluding certain classes of shareholder, which it is not necessary to recapitulate here;

(2) the shares in which were non-transferable;

(3) the shares or debentures of which were not offered for public subscription;

(d) the control of which was vested in not more than 5 persons. Here again there were certain somewhat complicated qualifications which it is unnecessary to repeat.

3. The Government of India have derived much help from the replies that they have received to their letter quoted above. They have given this complicated subject their careful consideration, and I am now directed to invite the opinion of your Chamber on the revised proposals explained below.

4. I am first briefly to state the reasons for putting forward the present suggestion :—

If the Indian Income-tax Act were amended as previously suggested on the lines of the British Finance Act, the result would be to cast on the income-tax authorities, in the first instance, the responsibility of deciding in certain cases the difficult and delicate question what was a reasonable proportion of its profits for a company to distribute. Provisions similar to those of the British Finance Act are no doubt also in force in some other countries, such as for example, the Union of South Africa, the Commonwealth of Australia, Newfoundland and the United States of America. The Government of India apprehend however that legislation on these lines in this country would lead to much friction and dissatisfaction. It would also almost inevitably involve the setting up of non-official bodies to act as Referees, where the final decision of the Commissioner was not accepted by the assessee. Apart from the possible difficulty of forming Boards of Referees that would command public confidence which was glanced at in the Government of India letter quoted above, some of the commercial bodies consulted have raised the strongest objection to this feature of the proposals.

5. It has also been pointed out that to limit the scope of the proposed legislation to private companies would render it extremely

easy to circumvent and further that it is undesirable to restrict its application to companies formed after any particular date, since any company whenever formed and whatever the intentions of its original promotors, might be made use of for the purpose of evading tax, should a person with that object in view secure a controlling interest in it. This difficulty has actually been experienced in the United Kingdom.

6. Some of the previous proposals also raised an apprehension that genuine partnerships, including a husband and his wife or two or more members of the same family would be denied recognition. The revised proposals afford no ground for such an apprehension. Fears were also expressed that the proposed legislation would affect the position of the Hindu undivided family. In regard to this latter point, I am to say at once that the Hindu undivided family will not be affected by whatever legislation may be introduced. There are special provisions in the Act relating to the assessment of the Hindu undivided family, and it is not intended to modify these in any way.

7. Before proceeding to give an outline of the Government's revised proposals it will be useful to recall what the abuses are with which it is desired to deal. They are briefly as follows

(1) In regard to *firms*—

(*a*) by different combinations with fictitious partners, several bogus unregistered firms, the ownership of which is *really* identical, may be created, each of which is thus assessed to income-tax and super-tax separately, whereas their combined income should be assessed together. This device reduces the rates of tax while for super-tax each such firm also gets a separate allowance of Rs. 50,000 ;

(*b*) by the creation of a fictitious registered firm assessment to income-tax and super-tax on each alleged partner's share is ultimately secured at the personal rate of such partner, instead of assessment on the real proprietor at the rate

appropriate to the entire income of the "firm" together with his income from any other sources;

(*c*) in the latter case (*b*) also, as many initial allowances of Rs. 50,000 are secured for super-tax as there are "partners" and these combined allowances may wipe out the income liable to super-tax altogether.

(2) In regard to *bogus companies*—by the formation of bogus private companies virtually controlled by one man *(a)* taxation to super-tax is secured at the flat rate of one anna instead of at the graduated rate; (*b*) profits are allowed to accumulate and instead of being distributed as dividends are transferred to the person controlling the company from time to time as may be necessary in the form of "loans" on which no interest is paid and which are never intended to be repaid. The recipient avoids paying super-tax on such loans. Or—again—the so-called company may go into liquidation and 'distribute' its assets. No tax would be leviable on assets so distributed.

8. So far as *bogus firms* are concerned, the object to be attained is, speaking broadly, to prevent the splitting up of what is really the income of one individual into several parts, on each of which a separate assessment is secured either by multiplication of bogus unregistered firms or by multiplication of dummy partners in a bogus registered firm. Equitably such an individual should be assessed on his share of the combined income of all the so-called firms or on the income of all the so-called partners as the case may be.

9. So far as *bogus companies* are concerned, this same device of splitting up what is really the income of an individual has to be dealt with, if possible. But the main object to be secured is to prevent an individual evading super-tax at the graduated rate on what is really his private income by creating companies, not for any legitimate purpose, not that is, to secure the advantages of limited liability, corporate finance and so forth that the law confers on companies, but merely to evade taxation,

To secure these objects, what is required, put briefly and somewhat crudely, is evidently to take power, to declare that in certain cases a "firm" is not a firm, that in certain cases a "partner" is not a partner and that in certain cases a company is not a "company", and to provide, where this has been done, that the shares of the persons who really own the alleged firms or companies in the profits of such firms or companies, whether distributed or not, shall be treated for the purposes of assessment as part of the total income of such persons. If an individual has a share in several alleged firms or companies, what is required is that he should be assessed on the aggregate of his shares in the profits of all those firms and companies together with his other income. Finally it is necessary to take power to ignore dummy partners and attribute their alleged shares to the real owners.

10. Having explained what is required and why it is required I am now to outline the means that the Government of India propose to adopt to secure the ends in view. It will be noted from what follows that the Government of India propose to take advantage of the recent creation by the Income-tax Amendment Act, 1924, of a new class of assessees, namely, "associations of individuals other than a firm, company or Hindu undivided family".

11. To meet the difficulty in the case of firms, it is first proposed to insert in the Act a definition of "firm". A firm would be defined as a firm within the meaning of section 239 of the Indian Contract Act, 1872, with the further condition that there must be at least 2 partners authorised to bind the firm by their action. Any alleged partnership or firm which does not satisfy these conditions will be treated as an association of individuals. It is next proposed to insert a provision to the effect that where any association of individuals formed for the purpose of carrying on business is under the control of a single member that is where only one member has power to bind the body as a whole by his acts, the assessing authority shall have discretion to include the shares in its profits to which each member is entitled in the total income of such

member, for the purpose of assessing him to income-tax and super-tax. The association as such will then not be liable to income-tax or super-tax. The Income-tax officer's decision on this point will be subject to appeal to the Assistant Commissioner, and to revision by the Commissioner of Income-tax

12. It will be observed that the proposed amendment does not contain any sweeping or controversial provision, ruling out the possibility of a wife being a partner with her husband, or a son being a partner with his father, and so forth. If a business is in effect the property of all the members of a Hindu undivided family, the assessee will be the Hindu undivided family and will be in no way affected by the proposed amendments.

13. It may be thought that the proposed amendments will not go far to remedy the existing abuses so far as they relate to the creation of bogus firms. The Government of India believe however that they will constitute a step in the right direction. They are, for instance, clearly sufficient to prevent any evasion of tax by the creation of so obviously fictitious a firm or "partnership" as the one described in paragraph 2 of the Government of India letter quoted above. I am to add that the Government of India would welcome any suggestions that your Chamber may be in a position to offer for more effective legislation on this particular point.

14. Turning to the question of companies, it is in the first place intended to limit the proposed legislation to companies which (*a*) restrict the right to transfer shares or (*b*) limit the number of members exclusive of employees to 50, or (*c*) do not issue any invitation to the public to subscribe to their shares or debentures, or (*d*) are under the control of not more than 7 members, *i.e.*, in which, for example, the majority of the voting power or shares is in the hands of seven persons or their near relatives or nominees,

It will be observed that the existence of *any one* of these criteria will be sufficient to bring a company within the scope of the amendment. It is not necessary to bring a company within the scope of

the amendment that all these criteria should co-exist. Criteria (*a*) to (*c*) form the definition of a Private Company in the Companies Act. If the application of the new section were restricted to companies that satisfied all these 3 conditions it would be confined to "private companies" which is undesirable, as has been pointed out. Criterion (*d*) was proposed in Mr. Gaskell's letter but the number 7 has been substituted for 5 as suggested in some of the replies to that letter.

It will of course be necessary for the purpose of criteria (*b*) and (*d*), as in the original proposals, to add a provision that in computing the number of shareholders referred to, trustees or nominees of other shareholders, employees and certain close relatives of other shareholders should be excluded.

15. It is next proposed to give the assessing authorities precisely the same discretion (subject to the same remedies) in regard to the assessment of the profits of such companies as has been proposed above in regard to the assessment of bogus firms—that is—discretion not to assess the Company as an entity but to include the share in its profits due to each member, and whether distributed or not, in that member's total income.

16. I am to say that the Government of India would welcome a full expression of the views of your Chamber in regard to these proposals. They would be glad to know whether the present proposals appear to your Chamber to be preferable to those previously put forward, and finally they would welcome any criticisms or suggestions that may be helpful in dealing with the subject. The Government of India do not doubt that your Chamber will sympathise generally with the desire of the Government to check the evasion of tax by the creation of fictitious partnerships and companies.

17. In some of the replies received to the Government of India letter No. 196-S., dated 23rd July 1923, a doubt was expressed whether this evil had actually assumed any serious proportions but the information at the disposal of the Government of India indicates

that the amount of revenue already lost owing to devices of this kind is considerable and is likely to increase. It is obviously undesirable to allow this evil to grow. As no doubt your Chamber will realise, evasion by such means is extremely unfair to other tax-payers. The necessity for legislation was in fact brought to the notice of the Government by members of the commercial community, who laid stress upon this point of view, as was mentioned in Mr. Gaskell's letter.

18. Finally, I am to ask that the Government of India may be favoured with a reply to this letter as early as the complexity of the subject and its full consideration permit, since it is desirable to introduce legislation in the September Session of the Legislature, if possible.

No. T-820, dated 16th July 1924.

From Chamber to the Government of India, Finance Department.

With reference to your letter No. 2214 dated the 7th June 1924; I am directed by my Committee to communicate hereby their views on the suggestion of the Government with regard to appeals. The other points raised in your letter are still under consideration and the views of my Committee thereon will be communicated during the next week.

The original reference from the Government dated 23rd July 1923, No. 196-S, suggested appeal to the Commissioner of Income-tax and to the Board of referees if the assessee was not satisfied with the orders of the Commissioner. My Committee recommended that instead of a Board of Referees provision should be made in the Act that if a party is aggrieved by the order of the Commissioner of Income-tax reference should be made to the High Court and the matter should be dealt with not in the open Court but in Chamber by a Chamber Judge. My Committee regret to note that this

suggestion has not been followed. They agree with the Government that the commercial community is opposed to the institution of Boards of Referees. Mere dropping of this suggestion, however, is no solution of the question and my Committee are obliged to say that suggestions of the Government with regard to appeals are not at all satisfactory and fall far short of the requirements of the situation. They therefore urge again that their suggestion with reference to appeal to the High Court should be accepted.

No. T-1208 dated 29th September 1924.

From Chamber to the Government of India, Finance Department.

With reference to your letter of the 7th June 1924, No. 2214, and in continuation of my letter of the 16th July 1924, No. T-820, I am directed to send hereby views of my Committee with reference to further issues raised in your communication.

2. My Committee approve, as they wrote in their representation addressed to Government dated the 24th October 1923, No. T-1118, of the general principles of the intended legislation and are in sympathy with the object of the Government to prevent withholding by some persons of legitimate dues to the Government. At the same time they cannot help expressing their doubts if even the intended legislation will succeed in its object fully.

3. With regard to firms, the present propasals would include all firms in which only one partner is authorised to bind the firm. Any person however contemplating evasion of taxation may invest any one with nominal authority to bind the firm. What my Committee want to point out is that the restriction as to two persons having the authority to the firm will prove entirely useless in practice. Besides, the advantages of the whole authority of the firm being centred in one man will be lost, leading to disorganisation of work and disruption of business. My Committee suggest there

fore that the definition of "firm" as given in Section 239 of the Indian Contract Act of 1872 should be inserted in the new Act but without any further condition regarding to partners.

4. With regard to companies both public and private which are meant to be brought under the provisions of the intended legislation more or less on the lines of the English Finance Act, it may be pointed out that in England out of a total of 82,000 Joint Stock Companies, 66,000 are private limited companies and the evasion would amount to nearly half of the total revenue of the country. In this country however the evil is not so widespread as to warrant any new legislation. In a progressive presidency like Bombay the total number of Joint Stock Companies is 825 out of which there are only 175 private limited companies. My Committee realise however that in some cases it is possible to evade taxation by loans from companies to principal partners or to other companies under the same management without any interest, but this can be prevented by providing that such loans should always bear interest at normal market rates.

APPENDIX 38.

INCREASES IN CERTAIN RATES BY THE BOMBAY PORT TRUST.

No. 1561, dated 25th February 1924.

From Bombay Port Trust to Chamber.

I am directed to inform you that the Trustees, at their meeting held on the 12th instant sanctioned, subject to the sanction of Government, certain revisions in the Docks and other Scales of Rates with effect from 1st April 1924, and I am to forward herewith

for information an excerpt from the relative Trustees' proceedings of 12th instant (with Appendices).

2. The reasons which have forced the Trustees to increase the rates in question are detailed in the proceedings and in Appendix F, which contains a copy of the Chairman's Note on the Budget Estimate 1924-25. You will observe that after providing for all possible retrenchment in expenditure, the Trustees were faced, owing to the prevailing trade depression, with an anticipated deficit of some Rs. 20 lakhs in the coming financial year and, under the provisions of Section 59 of the Port Trust Act, it was incumbent on them to make adequate provision to meet this deficit. The manner of doing so was most carefully considered, firstly by the Finance Committee in connection with the Budget, secondly by the Marine Committee who closely examined and amended the details of the proposed enhancements, and finally by the full Board of Trustees.

3. The proposed enhancements and the estimated additional revenue therefrom, are detailed in the preamble to the Resolution. Appendices A and B show the alterations which will be necessary in the Docks and Bunders Scales of Rates respectively, Appendix C, the amendments in the scale of Port, Pilotage and other Charges, Appendix D, the revised rates for water service at the Bunders, etc, and Appendix E, the revised scale of Bonded Warehouse Charges. It will be observed that in selecting the items for enhancement the Trustees have endeavoured to select only such as have not been unduly increased in recent years and are best able to bear an enhancement. The principal additions are (1) a charge of Re. 1 package on passengers' baggage, estimated to bring in Rs. 8 lakhs; (2) an increase in the Dock dues on vessels, (which are exceptionally low in this Port), Rs. 3 lakhs; (3) Warehouse storage charges Rs. 4 lakhs; (4) Liquid Fuel wharfage, increase of ½ pie per gallon or about 10 annas per ton making the charges the same as on kerosene Rs. 1·65 lakhs. The remaining increases in wharfage charges are inconsiderable.

4. Government are being requested to sanction and publish these revisions in the Bombay Government Gazette, to take effect from 1st April 1924.

No. T-353, 1st April 1924.

From Chamber to Bombay Port Trust.

I am directed in reply to your letter of the 25th February 1924, No. 1561, to convey to you the strong protest of the Committee of this Chamber against the proposed levying of charges on luggage of Deck passengers (not coastal) which has been sanctioned recently by the Port Trustees. Such a charge will be felt to be very heavy by deck passengers. The Port Trustees cannot be unaware that these deck passengers are mainly small traders and clerks going to Aden, Port Said and Africa on trade and business. These charges will form a pretty heavy porportion of the expenses to be undergone by these poor traders and clerks for their voyage outward and my Committee therefore hope that the Port Trustees will be pleased to free deck passengers from this impost.

My Committee regret that it has been found necessary to effect different increases in dock-dues, warehouse storage charges, etc., which have also been recently sanctioned. The expenditure of the Port Trust is increasing at a very rapid pace and my Committee feel that the interests of the commercial commnnity demand that there should be retrenchment in this expenditure rather than further increases in all these charges and dues which are pressing heavily upon trade and commerce. To meet the Budget deficit charges are increased while the real remedy lies in effecting severe retrenchment. Trade again is passing through a very severe period of depression at present and what it wants is rather a liberal treatment and not a handicap in the shape of increases in various dues and charges.

No. 3745, dated 22nd May 1924.

From Bombay Port Trust to Chamber.

With reference to your letter No. T-533, dated 10th May 1924 and in particular to the remarks therein that the expenditure of

the Port Trust increasig at a very rapid pace, I am directed to inform you that expenditure, both on capital and revenue accounts, has for some time past been restricted to works of a purely essential nature, while staff, repairs, maintenance and general working expenses are being kept at the lowest possible figure compatible with efficiency.

With a view to investigating the pessibility of further retrenchment in expenditure, the Trustees have requested Government to select a suitable officer to conduct an investigation into the working of the Railway Department, and in regard to the other departments of the Trust, I am to say that the Chairman is submitting proposals to the Board for an independent enquiry and report.

APPENDIX 39.

CHARGE ON PASSENGER'S BAGGAGE LEVIED BY THE BOMBAY PORT TRUST ON PASSENGERS TO AND FROM ADEN.

No. T.-603 21st May 1924.

From Chamber to Bombay Port Trust.

With reference to the correspondence ending with my letter No. T. 353, dated the 1st April 1924, the sttention of my Committee has been drawn to the fact that the charge of Re. 1 per package is collected by the Bombay Port Trust from passengers going to and oming from Aden. As the Port Trust have exempted baggage accompanying passengers on Cosstal and Persian Gulf services, my committee are of opinion that passengers going to and coming from Aden, which is under the administration of the Government of Bombay, should be similarly exempted from this Charge,

No. 4088 dated 5th Junr 1924.

From Bombay Port Turst to Chamber.

With reference to your letter No. T.-603 doted 21st May 1924. regarding the application of the charge on passenger's unmanifested baggage to and from Aden, I am directed to say that although Aden is under the jurisdiction of the Government of Bombay, it is not a coastal port, that is a port situated on the coast of India, and therefore was not included in the exemptions allowed.

I am to say that very careful consideration was given to the question of the incidence of the charge, and to the ability of the various classes of passengers to bear some part of the cost of the facilities afforded. The Trustees considered however in regard to passengers to and from Aden that there would be no more justification for excluding them from the charge than passengers from several other ports on whom the charge is levied.

No. T.-681—dated 17th 1924.

From Chamber to Bombay Port Trust.

I am directed by my Committee to acknowledge receipt of your letter No. 4088 dated the 5th instant. They regret to note that the Trustees see no justification for excluding passengers to and from Aden from the luggage charge. If the Bombay Port Trust has exempted passengers to and from the Persian Gulf ports from this charge, my Committee see no reason why passengers to and from Aden should not be similaly exempted. My Committee hope that the Trustees will be good enough to reconsider the matter and revise their decision.

No. 6404–dated 29th August 1924.

From Bombay Port Turst to Chamber.

Levy of wharfage on baggage belonging to passengers to and from Adca.

With reference to your letter No. T. 681 dated 17th June 1924, I am directed to say that the question raised by you was fully considered at the time the levy of the baggage charge was introduced and no fresh reason has been adduced for a reconsideration of the decision arrived at by the Trustees.

No. T.–1118 11th September 1924.

From Chamber Bombay Port Turst.

Levy of wharfage on baggage belonging to passengers to and from Aden.

With reference to your letter No. 6404, dated the 29th ultime, I am directed by my Committee to request you to be good enough to place the correspondence which has passed between this Chamber and the Bombay Port Trust on the above subject before the Board of Trustees.

No. 7520 dated 13th October 1924.

From Bombay Port Trust to Chamber.

Wharfage on passenger's baygage.

With reference to correspondence ending with your letter No. T. 1118 dated 11th September 1924, I am directed to inform you that, as requested, the correspondence that has passed between your Chamber and this Office on the subject of levying wharfage on baggage belonging te passengers to and from Aden was placed before to

Trustees at their Meeting held on 30th September 1924, and after full consideration they have directed me to say that there are no grounds for exempting Aden passengers from payment of a charge imposed on passengers from other foreigns ports.

I am directed to state briefly for the information of your Chamber the reasons underlying the Trustee's decision. Aden is in all respects regarded as a 'foreign' port, nnd is so classed by law, vide Section 3 (e) of the Sea Customs Act. The exemption on wharfage on baggage allowed to passengers for the Persian Gulf was not given on any consideration beyond the fact that they were commonly carried in steamers which touched at Indian coastal ports, so that the enforcement of the levy on them might have caused inconvenience. While this may not be sufficient reason for exemption permanently Persian Gulf passengers, it constitutes no gronuds for extending the exemption to other foreign ports.

APPENDIX 40.

MUNICIPAL TERMINAL TAX AND THE BOMBAY PORT TRUST.

No. 3376, dated 7th May 1919.

From Bombay Port Trust to Chamber.

Municipal Terminal Tax.

I am directed to address you on the subject of the proposal of the Municipality to substitute a non-refundable terminal tax for the present town duty levy, and to enlarge the schedule of articles on which the levy is to be made.

I am to say that the Trustees' Docks Manager has been in communication for some time past with the Deputy Assessor and

Town Duty Refund Officer, Bombay Municipality, regarding the facilitating of the work of assessing and collecting the new tax, and the Chairman has now under consideration the effects that may be anticipated from the incidence of the tax on the trade of Bombay particularly in so far as it may operate detrimentally to the trade of the Port.

Speaking generally, it would seem that the more wide spread distribution of the tax is to be commended; on the other hand, one or two items, particularly of export traffic coming from "competitive' zones that are now to be included in the schedule, may, and it seems probable will, be diverted to a greater or lesser extent from Bombay to other ports.

It is presumed that your Committee have had under consideration Municipal scheme, and in view of the fact that the interests of your Chamber and of the Port Trust in this matter are very largely identical, the Chairman is of opinion that it would lend force to any protest to the Municipality if the representations were in agreement on the principal points.

The Chairman accordingly directs me to ask that you will be good enough to favour him, for the information of the Board, with your Chamber's views on the proposed inclusion in the schedule of any items of trade that, with the imposition of a tax, it seems, are liable to be adversely affected.

No. T-704, dated 19th June 1929.

From Chamber to Bombay Port Trust.

With reference to your letter of the 7th instant, No, 3376, I am directed by my Committee to send herewith a copy of the letter addressed by them to the Bombay Municipal Corporation with regard to the Terminal Tax. My Committee have however reconsidered

the matter and thought it necessary to chang the views which they expressed in that letter. They now think that the trade and industries of this city cannot bear any further taxation and that it will not be to their interests to allow the Terminal Tax to be increased so as to bring in a much larger revenue than what the Municipal Corporation is getting at present. My Committee before however sending these views to the Municipal Corporation are awaiting the report of a Committee appointed by the Municipal Corporation in this connection.

No. T-701, dated 19th June 1924.

Copy of a letter addressed by the Chamber to the Municipal Secretary, Bombay.

With reference to your letter No. 2390 dated the 4th inst., I am directed by my Committee to request that they should be given an opportunity of expressing their views on the report of the Committee regarding the Terminal Tax when it is ready.

APPENDIX 41.

TOWN DUTY REFUND RULES:—

No. 12122, dated 18th March 1924.

From Bombay Municipality to Chamber.

By desire of the Chairman of the Committee to whom the question regarding the difference in the Town Duty Refund Rules by rail and by sea is referred, I have the honour to inform you that the Committee will be glad to hear the representatives of your Chamber representing (1) Exporters by sea and (2) Exporters by rail

when the subject will be discussed by them, I am therefere to request that you will be so good as to move your Chamber to nominate representatives to meet the Committee at their next meeting.

2. The date and time of the meeting will be communicated later.

No. T-326, dated 31st March 1924.

From Chamber to Bombay Municipality :

With reference to your letters of the 18th instant No. 12122, and of the 26th instant No. 12497, I am directed to inform you that Mr. Manmohandas Ramji, President of the Chamber, and Mr, Jamnadas Dwarkadas will represent the Committee of this Chamber to meet the Town Duty Refund Rules Committee of the Municipal Corporation.

No. 3626, dated 5th July 1924.

From Bombay Municipality to Chamber.

With reference to your letter No. T-326, dated the 31st March 1924, regarding the appointment by your Chamber of their representatives to discuss with the Committee of this Corporation the question of the existing differences in the Town Duty Refund Rules by rail and by sea, I have the honour to inform you that a meeting of the Committee has been fixed for Monday the 14th instant after the Corporation meeting (*i.e.*, about 5-30 p.m. Bombay Time) and to request that you will be so good as to communicate the same to the representatives of your Chamber and request them to make it convenient to attend the meeting.

No. T-767, dated 9th July 1924.

From Chamber to Bombay Municipality.

I have to acknowledge receipt of your letter No. 3626 of the 5th instant and to state that as desired therein, the representatives

of this Chamber have been requested to attend the meeting of the Committee of the Corporation to discuss the question of the existing differences in the Town Duty Refund Rules by rail and by sea.

APPENDIX 42.

SUGGESTIONS TO RAISE THE IMPORT DUTY ON IMITATION GOLD AND SILVER THREADS AND LAMETTA.

Dated 23rd May 1924.

Copy of Mr. B. J. G. Shastri of the Gauri Gold and Silver Works Company of Surat, to the Secretary, Government of India, Department of Commerce, forwarded to the Chamber.

I am asked by the Tarkash Mandal, an association of the manufacturers of, and traders in, gold thread and other embroidery goods, to request you to convey the best thanks of the trade to the Government of India for listening to their representation and maintaining the import duty on real gold thread at 30 p. c. instead of 15 p. c. as originally proposed in the Budget. I am further asked to move Government to give an effect to their other request (please refer to correspondence ending with your letter No. 4785 of 21-9-23, Government of India, Department of Commerce. Copies accompany.) that the import duty on the imitation gold and silver thread and lametta be raised 30 p. c. in order to secure administrative facility, to prevent the present possibility of smuggling of the real article at 15 p. c. and also to encourage the manufacture of the imitation goods, which is a sin qua non for the real development of the gold thread industry in India on a permanent footing, enabling it to stand, in course of time, competition with the foreign manufacture. The local trade is prepared to substantiate the later statement in any manner required by Government.

No. T-976, dated 8th August 1924.

From Chamber to Government of India, Department of Commerce.

I am directed by my Committee to request the Government to be pleased to raise the import duty on imitation gold and silver threads and lametta to 30 percent from the present rate of 15 percent My Committee think that this step will not only encourage the indigenous imitation threads industry, which has at present to compete against a highly organised foreign industry, but will also check the present possibility of real threads being smuggled at 15 percent. and also secure administrative facilities. My Committee trust that the Government of India will be pleased to adopt their suggestion.

APPENDIX 43.

PROPOSED REDUCTION OF THE RATE OF STAMP DUTY LEVIABLE ON WORKMEN'S COMPENSATION INSURANCE POLICIES:—

No. 905-E/24, dated 10th May 1924.

From Government of Bombay Revenue Department to Chamber.

Subject.—Proposed reduction of the rates of stamp duty leviable on workmen's compensation insurance policies.

I am directed by the Governor in Council to forward copies of a letter from the Government of India, Finance Department (Central Revenues), No. 1115 dated 22nd April 1924 and of its accompaniments on the subject noted above and to request that the views of your Chamber thereon may be communicated to this Government by 25th May 1924 at the latest.

No. 1115, Simla, the 22nd April 1924.

Copy of letter of Government of India, Finance Department to Government of Bengal, Finance Department, (Central Revenues.)

Proposed reduction of the rates of stamp duty leviable on workmens' compensation insurance policies.

I am directed to refer to your letter No. 2063–S. R. dated the 27th November 1923, on the above subject.

2. The recommendation of the Bengal Chamber of Commerce in respect of the stamp duty on workmen's compensation insurance policies is not, in the opinion of the Government of India, altogether suitable for adoption, Their proposal would appear to be that duty should be leviable on every policy at a uniform rate of eight annas, irrespective of the number of workmen covered by that policy. The Government of India consider that it would be preferable if the duty on such policies were regulated according to the amount of the premium. It is suggested that a rate of one rupee for every Rs. 1,000 of premium paid would be suitable for the purpose, and unless there are any objections, the Government of India propose to adopt this rate.

3. As regards the remaining recommendations of the Chamber the Government of India are provisionally of opinion that agreements for lodgment with the Commissioners under the Workmen's Compensation Act, 1923, should be exempted from stamp duty, as it is desirable to encourage in every possible way employers and workmen to come to an agreement on the subject of compensation. They see no good reason, however, why receipts for compensation paid to workers should be exempted from duty. The ordinary receipt would be for half-monthly payments which cannot exceed Rs. 15, so that if they are paid regularly, they will in any case be exempt. Even where large sums, i. e., lump-sum payments are involved there does not appear to be any particular reason for the remission of the very small duty at present imposed.

4. Before coming to a final decision in the matter and in order to allow time for the issue and publication of the proposed Notification before 1st July next when the Act comes into force, the Government of India would be glad to be favoured with the further views of the Government of Bengal by the 31st May, 1924, and I am accordingly to request that, with the permission of His Excellency the Governor in Council, the matter may be reconsidered in the light of the above remarks. In the meantime, the Government of India are inviting the opinions of the other Local Governments and Administrations as the loss involved will fall mainly upon provincial revenues.

No. T-597 20th May 1924.

From Chamber to Government of Bombay, Revenue Department,

With reference to your letter No. 905-E/24, dated the 10th instant, on the subject of the proposed reduction of the rates of stamp duty leviable on Workmen's Compensation Insurance Policies, I am directed by my Committee to send their views hereby.

My Committee are of opinion that after item 47 B of Schedule I of the Indian Stamp Act of 1889 the following should be inserted:

C. Workmen's compensation and Common Law Liability Insurance.

1. In respect of an original policy... ... ... 8 annas.
2. In respect of the renewal of an original policy 4 „

My Committee are also of opinion that receipts for compensation paid to workers and agreements for lodgment with Commissioners under the Workmen's Compensation Act should be exempted from Stamp Duty. The are further of the opinion that a clause to the following effect might be inserted in the Schedule to the Act viz "Any agreement in writing and any memorandum of agreement (whether under seal or not) as to any matter under the Workmen's Compensation Act 1923 or any amendments thereof and any receipt

given for or upon the payment of any money payable under the said Act, or under such agreement aforesaid, shall be exempt from all stamp duties under this Act or its amendments."

APPENDIX 44

NOTIFICATION ISSUED BY THE POST OFFICE REGARDING THE STAMPING OF PRINTED INVITATION CARDS AND EXTRA CHARGE FOR REFUSED OR RETURNED POST PARCELS

No. T-638, 2nd June 1924.

From Chamber to the Post Master General, Bombay.

My Committee are informed that the Post Office has recently issued notifications viz., (1) to treat all printed invitation cards and letters enclosed in open envelopes as ordinary letters and they are to be stamped fully i. e., one anna, and (2) refused or returned post parcels, inland or foreign are to be charged extra one-half of the full rate for the return journey. My Committee will feel obliged if you will be good enough to supply them with copies of these notifications and also to let them know the reasons which have prompted the Post Office to issue them.

No. GG 61, dated 5th June 1924.

From the Post Master General Bombay to Chamber.

In reply to your letter No. T 638 of the 2nd June, I have the honour to say that the orders in question are not recent. They date as far back as the year 1917, when it was decided that printed invitations, being in the nature of personal communications, cannot be allowed to pass at book rates. The Superintendent of Post

Offices, City Division, found that these orders were being enforced in some of the town offices, while in other offices they were neglected. He accordingly issued a general order calling attention of all Sub-Postmasters to the instructions of 1917, and it is possibly this order which your Committee believes to be recent.

2. As soon as this matter came to my notice, I examined it, and, as there appears to be some uncertainty as to the correctness of the orders issued in 1917, I have referred the question to higher authority. In the meanwhile, I have issued instructione that, for the present, printed invitations, enclosed in open envelopes, will not be taxed at letter rates.

3. As regards the extra charge for the seturn journey on refused or returned parcels, a further communication will be made to you.

No. T-679, 17th June 1924.

From Chamber to the Postmaster General, Bombay.

I am directed by my Committee to acknowledge receipt of your letter No. GG.-61, dated the 5th instant and to requett that if and when new orders are issued my Committee shoüld be given an opportunity of expressing their views in the matter.

No. G. G. 61 dated 27th June 1924.

From the Post-Master Oeneral, Bombay, to Chamber.

With reference to para 3 of this office letter No. GG.-61 dated the 5th June 1924, I have the honour to forward for your information a copy of the postal notice issued by the Director-General in the matter.

Copy of Postal Notice.

Re-direction of Parcels.

The Government of India have decided that with effect from the 1st July 1924 parcels will be charged for each re-direction with a re-direction fee which will amount (*i*) in the case of inland parcels to a sum equal to half the postage originally chargeable, excluding registration or other fees and (*ii*) in the case of foreign parcels to a sum calculated on weight at half the inland rates of postage for parcels. If, however, the original address and the substituted address on a parcel are within the delivery area of the same post office or are within the same post town, no fee on account of re-direction will be charged.

2. Accordingly, with effect from the date mentioned above parcels, both inland and foreign will be forwarded by the Post Office to a revised address (outside the post-town of destination or the delivery area of the office of delivery) only under the written instructions (general or special) of the addressees or their agents and will be subject to the recovery of the re-direction charge from the addressee at the time of delivery, unless the redirection charge is prepaid in cash at the post office concerned.

3. A parcel which has been delivered can be re directed to a place outside the post-town of destination or the delivery area of the office of delivery provided that it has not been opened and is re-posted at the office of delivery and that postage for re-direction at the rate mentioned above and a fresh registration fee or fresh registration and insurance fees, as the case may be, in the case of registered or insured parcels, are paid on it in the usual way. A parcel re-posted after having been opened or re-posted at any place other than the place at which it was delivered, will be treated as a parcel posted for the first time, and charged accordingly.

Calcutta the 10th June 1924.

H. A. SAMS,

Offg. Director-General of Posts and Telegraphs.

No. T-801, 14th July 1924.

From Chamber to Government of India, Department of Commerce.

The attention of the Committee of this Chamber was drawn sometime back to a postal notice dated the 10th June 1924 issued by the Officiating Director General of Posts and Telegraphs with regard to the redirection of parcels. The notice mentions that the Government of India will charge with effect from 1st July 1924 a redirection fee which will amount to

(1) in the case of inland parcels a sum equal to half the postage originally chargeable excluding registration or other fees, and

(2) in the case of foreign parcels a sum calculated on weight at half the inland rates of postage for parcels.

On receipt of this notice my Committee caused an enquiry to be made by the Postmaster General, Bombay, as to the reasons which prompted the Post Office to levy this additional charge on postal parcels. After a formal acknowledgment the Committee have now received a further communication from the Postmaster General enclosing a copy of the said Postal Notice. No reply to the enquiry made by the Committee regarding reasons for issuing such a notice has been however received from the Postmaster General. According to the information available to my Committee they are under the impression that no additional charge can be levied by the Executive without the sanction of the Assembly, and my Committee will feel obliged if the Government of India will enlighten them as to the section under which and the reasons for which they have sanctioned this extra charge. As Government are aware there has been a strong feeling prevalent in the minds of the public that the present postal rates are on the high side and require to be reduced.

Further I am directed to request that figures regarding the total number of postal parcels handled every year and the number redirected, say, in the last five years, may also be supplied.

I am directed to request that a reply may be sent to this letter with as little delay as possible as my Committee wish to lodge their emphatic protest against this extra charge on the re-direction of postal parcels and may also instruct their representative on the Assembly to take necessary steps to ventilate this matter in the Assembly at the September session.

No. 175-P. T. 23, dated 16th August 1924.

From Government of India, Department of Industries and Labour to Chamber.

In reply to your letter No. T.-801, dated the 14th July 1924, to the Department of Commerce, I am directed to inform you that the replies to your Chamber's enquiries are as below:—

(1). The authority under, and the reason for, which the charge for redirection of parcels has been sanctioned, are respectively Section 8 of the Indian Post Office Act 1898 (VI of 1898), and the fact that prior to the levy of this charge the Post Office had to perform a great deal of work and bear a considerable expense without any remuneration.

(2). The total number of postal parcels delivered in India by the Post Office for the past five years may be taken as approximately:—

In 1918-19	No.	141,82,000
1919-20	,,	157,62,000
1920-21	,,	143,04,000
1921-22	,,	126,29,000
1922-23	,,	126,73,000

No statistics are maintained as to the number of such parcels which have to be redirected before they can be delivered but it has been estimated, as the result of a special enquiry, that about six per cent of parcels received for delivery have to be redirected.

No. T-1029, dated 21st August 1924.

From Chamber to the Department of Industries and Labour, Government of India.

I am directed to acknowledge the receipt of your letter of the 16th instant, No. 175 P. T./23. My Committee are informed that a firm of solicitors who represented the grievance in question to the Director General of Post & Telegraphs, Simla, have received a letter, a copy of which is enclosed herewith for ready reference. From this reply of the Director General it appears that the new procedure of levying an additional charge on redirected parcels has been cancelled. My Committee are surprised that there is no mention of this in your letter under reference, though my Committee in their letter of the 14th July 1924, No. T. 801, protested against the extra charge on the redirection of postal parcels. I am directed to request you to let them know as to whether the new procedure has been cancelled or is still in force.

Copy.

No. C. G.-66, dated Calcutta, the 30th July 1924.

From the Assistant Director-General of Posts and Telegraphs to Messrs. Jhavery & Co., Solicitors, Bombay.

With reference to your letter of the 28th June 1924, I am directed to say that if an *inland* redirected parcel is unclaimed or is refused by the addressee, the charge for redirection will be cancelled, and the parcel will be disposed of in the usual manner.

No. 215-P. T., dated 25th September 1924.

From Government of India, Department of Industries and Labour to Chamber.

In reply to your letter No. T-1029 of the 21st August 1924, enquiring whether the new procedure of levying an additional charge

on re-directed parcels has been cancelled or not, I am directed to inform you that it has not been cancelled but is still in force. Your Committee would appear to have misunderstood the Director-General, Posts and Telegraphs' letter No. C. G.-66, dated the 30th July, 1924, to Messrs. Jhavery and Co., a copy of which is attached to your letter under reply. Messrs. Jhavery and Co. were informed in that letter that the re-direction fee *on refused or unclaimed* inland parcels would be cancelled, but obviously this exception to the general rule will apply only in relatively few cases. I am to add, for the information of your Committee, that a note will be added below Clause 104-A of the Post and Telegraph Guide, stating for the information of the Public that the re-direction fee on refused and unclaimed re-directed parcels is cancelled.

No. T.-1325, dated 3rd November 1924.

From Chamber to Government of India, Department of Industries and Labour.

I am directed to acknowledge the receipt of your letter dated the 25th September 1924, No. 215-P. T. My Committee are sorry that the new procedure of levying an additional charge on redirected parcels is still in force. They find from your letter of 16th August 1924, No. 175, P. T.-23, that the authority under which the charge for redirection of parcels has been sanctioned is Section 8 of the Indian Post Office Act, 1898. My Committee are inclined however to view the notice issued by the Offg. Director General of Posts and Telegraphs very seriously. This notice increases charges on re-directed parcels by 50 per cent. There is a large trade carried on here as elsewhere through parcels and this increased levy will seriously interfere with it. My Committee have always maintained that the limit of taxation is reached in this country and that any further taxation is to be strongly deprecated. They realise that Government have powers under Section 8 of the Indian Post Office Act, 1898 to " provide by redirection of postal articles and the transmission by post of articles so redirected, either free of charge or subject to such further charge as may be specified in the rules,"

They cannot however sympathise with the policy of adding to the burdens of taxation by a sort of a flank movement. These postal parcels are sent under bonafide orders of customers who refuse them sometimes or, who having changed their addresses, parcels have to be redirected to them. The Postal Department has been paid for its services in the very beginning and is expected to deliver parcels to the addressees without making any extra charge. It has been an accepted principle of the Postal Department that the distance does not count in as much as a letter posted at one place has to bear the same postage whether it has to be carried five miles or one thousand miles. The new rule contravenes the principle and is hence objected to. Under these circumstances my Committee beg to request the Government to be pleased to cancel their notification dated the 15th June 1924.

No. 215-P. T., dated 3rd December 1924.

From Government of India, Department of Industries and Labour to Chamber

Subject:—Levy of additional fee on redirected parcels.

In reply to your letter No. T.-1325, dated the 3rd November 1924, I am directed to say that the Government of India regret that they cannot agree to cancel the orders contained in their notification No. 175-P. T.-23, dated the 21st June 1924. I am also to point out that the levy of a re-direction fee on parcels is made by the British Post Office and several other offices under the Postal Union; and in view of the large amount of additional work in post offices and Railway Mail Service sections involved in the re-direction of parcels, the Government of India consider the levy of a fee to be fully justified.

No. T.-1471, dated 11th December 1924.

From Chamber to Sir Purshotamdas Thakurdas, C.I.E. M.B.E., M.L.A., Bombay.

I am directed by the Committee to send to you herewith a copy of the reply received from the Government of India, Department of Industries and Labour to the Chamber's letter regarding the levy of additional fee on redirected parcels and to request you to be good enough to do the needful in the matter.

APPENDIX 45.

EXCISE DUTY ON CLOTH MANUFACTURED IN INDIA.

Telegram from Chamber to Government of India, Finance Department, dated 28th February 1924.

"Committee Indian Merchants' Chamber support representation Bombay Millowners' Association dated 8th February No. 117-21/A for the abolition of Excise Duty on cloth manufactured in India. Whole of Indian public opinion strong against this duty which is admittedly an unjust impost in interests of Lancashire. Committee think that abolition of this duty will show the changed attitude of Government towards Indian industry and appeal to them to comply with their request.

Inchambu."

APPENDIX 46.

TARIFF VALUATIONS OF HIDES AND SKINS FOR THE YEAR 1925.

No. 8856 C. I., dated 25th October 1924.

From Director-General of Commercial Intelligence to Chamber.

Tariff Valuations of hides and skins.

With reference to my letter No. 3562 of the 9th May 1921, I write to say, for the confidential information of your Chamber, that it is proposed to revise the valuations of hides and skins for export duty with effect from 1st January 1925, and I enclose a statement showing the valuations which it is proposed to bring into effect from that date.

If you desire to put forward any criticisms of the rates proposed, I shall be glad if you will kindly let me have them at as early a date as possible—before the 20th November next. In order to avoid misapprehension, I would add that these rates are intended to represent averages at the major Indian ports of all the grades under each heading exported from India.

No.	Names of Articles.	Per.	Provisional rates.
6	RAW HIDES AND SKINS IF EXPORTED FROM ANY PLACE IN BRITISH INDIA OTHER THAN BURMA.		Rs. a. p.
	(1) Arsenicated and air dried Hides—		
	(a) Cows (including calf skins) ... Framed ...	lb.	0 12 0
	(a) Cows (including calf skins) ... Unframed	,,	0 8 0
	(b) Buffaloes (including calf skins) Framed ...	,,	0 6 6
	(b) Buffaloes (including calf skins) Unframed	,,	0 4 0
	(2) Dry salted Hides—		
	(a) Cows (including calf skins)	,,	0 6 6
	(b) Buffaloes (including calf skins)	,,	0 3 6
	(3) Wet salted Hides—		
	(a) Cows (including calf skins)	,,	0 4 0
	(b) Buffaloes (including calf skins)	,,	0 2 6
	(4) Goat and Kid Skins	Piece	1 12 0
	(5) Sheep skins	,,	0 12 0

No, T.-1367, dated 13th November 1924.

From Chamber to Director-General of Commercial Intelligence, Calcutta.

With reference to your letter No. 8856, dated the 25th Oct. 1924 with regard to Tariff valuations of hides and skins, my Committee have no alternatives to suggest with regard to items 1, 2 & 4. With regard to items Nos. 3 & 5, my Committee find, after due enquiry, that it would be more in consonance with the prevailing prices if the following rates were adopted instead of the rates proposed in the enclosure to your letter under reply :

	per	Rs.	a.	p.
(3) Wet salted hides—				
(*a*) Cows (including calf skins) ...	lb.	0	4	6
(*b*) Buffaloes „ ...	„	0	2	9
(5) Sheep Skins	piece	1	4	0

(E) PUBLIC COMMITTEES AND COMMISSIONS.

APPENDIX 47.

INDIAN BAR COMMITTEE.

No. 4419-II. B., dated 24th November 1923.

From Government of Bombay, Home Department to Chamber.

Subject :—Indian Bar Committee.

I am directed by the Governor in Council to forward herewith a copy of the Questionnaire issued by the Indian Bar Committee, and to request that you will be so good as to favour Government

with an immediate reply whether the Indian Merchants' Chamber would like to send a representative to give evidence before the Committee.

INDIAN BAR COMMITTEE.

Questionnaire.

1. Are you in favour of the establishment of an All-India Bar, or do you consider that the Bar should be organised on a provincial basis?

2. Are you in favour of withdrawing from High Courts in whole or in part their powers to admit, suspend and remove legal practitioners, and to make rules regarding the qualifications for admission, their fees and the manner in which they shall practise?

3. Would you transfer all or any of the powers referred to in Question 2 to a Central Bar Council for India or to Bar Councils constituted at the headquarters of each High Court?

4. If you are in favour of the establishment of a Central Bar Council do you consider:—

(1) that it should be separately constituted or composed of delegates from provincial councils,

(2) that it should exercise original powers in respect of all or any of the matters referred to in Question 2 or act as a consultative and advisory body to co-ordinate as far as possible the exercise by the provincial Bar Councils of the functions assigned to them, with possibly powers to decide finally any doubtful questions which may be referred to it?

5. If you are in favour of the first alternative in Question 4 (2) would you reserve to High Courts concurrent powers in respect of any of the matters transferred to the Bar Council?

6. If you are in favour of Provincial Bar Councils how would you constitute them? Do you consider that all such Bar Councils should be constituted in the same way, or that different conditions in the various provinces would necessitate different constitutions?

7. Which, if any, of the powers referred to in Question 2 would you confer on them?

8. Would you confer such powers absolutely or subject to the right of appeal to the High Court?

9. Would you reserve to the High Court the power to require consideration by the Bar Council of any particular matter, and to revise the decisions of the Bar Council?

10. Are you of opinion that the time has come when the control of matters relating to professional conduct and etiquette might be removed from the hands of High Courts?

11. Do you consider it desirable in spite of the diversity of conditions in the different provinces that the qualifications for admission to the bar should be identical throughout India?

12. If so, how do you consider this object can best be attained?

13. Are the existing law courses in the various Universities in your opinion sufficiently uniform in standard to form the basis of equal qualifications throughout India?

14. Do you consider that the educational and other qualifications for admission to practise in the High Courts should be prescribed by statute?

15. Are the existing law courses at the Universities of a sufficiently high standard and sufficiently comprehensive to provide the educational qualifications which should be required of candidates for admission to practise in the High Courts?

16. If not, do you consider that the remedy should lie in amending the law courses, or in prescribing specific bar examina-

tions? What effect would this latter course have, in your opinion, on the Faculties of Law?

17. Is the representation of the Bar on the University Faculties of Law adequate?

18. What other qualifications would you require before admission to practise in the High Courts, *e.g.*, service under Articles, supervised attendance in Courts, reading in chambers, or a period of practice in a Lower Court?

19. Are the qualifications now required in the case of vakils high enough to be adopted for admission to practise in the High Courts?

20. Do you consider that admission should be to practise in every High Court in India or to practise in one High Court only?

21. If you are in favour of the latter alternative do you consider that persons admitted to practise in one High Court should be thereby entitled to admission to practise in another High Court only in cases where a reciprocal agreement to that effect has been made?

22. Are you in favour of maintaining or encouraging the present practice whereby English barristers come out to practise in India and Indians go to England to be called to the Bar?

23. Under what conditions would you admit Barristers of England or Ireland, or Advocates of Scotland to the Bar in India?

24. Do you consider that the additional qualifications which most High Courts now require in the case of Barristers-at-Law are sufficient to safeguard the quality of those who seek admission to practise in High Courts?

25. If not, what other qualifications would you suggest?

26. If you are not in favour of altering the present system of enrolling advocates and vakils, would you remove all or any of the distinctions between advocates and vakils in respect of pre-audience,

taking instructions direct from clients, the filing of *vakalatnamas* and appearance on all sides of the Courts? Would you abolish *vakalatnamas* altogether, or require the production of a power to appear by advocates as well as vakils? Would you amend the law so as to remove the statutory or other privileges which barristers enjoy in respect of judicial or other appointments?

27. Are you in favour of maintaining the dual system of advocates and attorneys where it now exists or of extending it? Are you in favour of making separate provision for the enrolment of attorneys?

28. Would you substitute for the three branches of advocate, vakil and attorney a single grade of practitioners which would comprise both those who practise as advocates and those who practise as attorneys?

29. Would you have in addition to those practitioners who are entitled to practise before all Courts, including the High Court, a lower grade comprising those practitioners of various kinds who are only entitled to practise in Courts subordinate to the High Court?

30. If so, would you reserve to the High Court or transfer to the Bar Council the power to make rules for the admission, suspension and dismissal of practitioners in this lower grade and for their fees?

31. Are you in favour of establishing District Bar Councils, to which would be delegated powers of control over the lower grade of practitioners? Would you include in such Councils only practitioners entitled to practise before Courts subordinate to the High Court, or those entitled to practise in the High Court also?

32. Should all practitioners be able to sue for their fees and be liable to be sued for negligence?

33. What title or titles would you give to persons admitted to practise:—

(1) in High Courts and Courts subordinate thereto,

(2) in Courts subordinate to High Courts and in Revenue Courts?

Do you consider that the usual association of the title "Barrister" with the possession of English qualifications would constitute an objection to the adoption of that title in India?

No. T.-1309, dated 29th November 1923.

From Chamber to Government of Bombay, Home Department.

I am directed by the Committee of this Chamber to acknowledge receipt of your letter of the 24th instant No. 4419-II-B. My Committee received the questionnaire—accompanying your letter so late as the 26th instant and they cannot be expected to send their replies to the questionnaire and send a representative for purposes of oral evidence during the short time the Indian Bar Committee are sitting in Bombay. My Committee regret that the questionnaire was not sent to them earlier as they would then have certainly taken the opportunity of sending a representative for purposes of oral evidence. As it is they are now deprived of this opportunity though they will send their written views as early as possible.

No. T.-54, dated 11th January 1924.

From Chamber to the Secretary, Indian Bar Committee.

I am directed by my Committee to send hereby their replies to the questionnaire of the Indian Bar Committee.

My Committee as a commercial body are concerned mainly with questions Nos. 27 to 29 as the Chamber as representing the Indian commercial community is vitally interested in reduction of the costs of commercial litigation. My Committee have in the past

suggested and snpported measures which were likely to lead to this end and are in this case also suggesting measures which will, in their opinion, reduce the costs of commercial litigation which have become almost abnormal.

The present dual system of advocates and attorneys should not be continued and there should be only one grade of advocates. My Committee are of opinion that the present dual system is responsible for the heavy costs in commercial suits and that it is not at all suited to the requirements of the country. As far as my Committee are informed in several instances parties have been deterred from filing suits in the High Court to recover legitimate claims because of the high costs of litigation and similarly defendants have been deterred from putting forward their defence against an unjust claim for the same reason. They recognise however that there is some difference between practice on the Original side of the High Courts and practice before other Courts and so beg to suggest that all the qualified lawyers should be allowed to practise as advocates before all the Courts in India excepting the original side of the High Courts. Those advocates who have after their examination read with senior advocates (say advocates of 10 years standing) for one year and have put up five years practice in the subordinate Courts should automatically be allowed to have audience before original side of the High Courts. It must be clear from this that my Committee are not in favour of retaining a separate class of pleaders and that the only class of practitioners should be that of advocates. These advocates should be allowed to work as partners as the attorneys do at present in Bombay and Calcutta and the advocates and Barristers do in Rangoon as well as in the British Colonies and Dominions. My Committee are informed that the dual system of advocates and attorneys is known only in London, Calcutta and Bombay and that even in other leading High Courts of India like the Rangoon High Court for instance, it does not exist. Nor is it to be found, so far as the information of my Committee goes, in the United States of America where the non-existence of that system has not proved American Bar in any way inferior to the English Bar. The change suggested by my Committee will mean, in their

opinion, for economy to the commercial community. Litigation mainly comes from the commercial community with their law suits and anything which goes to reduce these costs of litigation will be welcome to the commercial community. My Committee do not fear that the adoption of their suggestion will in any way affect the efficiency of the advocates or interfere with justice.

APPENDIX 48.

CIVIL JUSTICE COMMITTEE.

No. 4140-III-B, dated 21st February 1924.

From Government of Bombay, Home Department to Chamber.

Subject :—Civil Justice Committee-appointment of.

I am directed by the Governor in Council to forward herewith a copy of the questionnaire issued by the Civil Justice Committee, and to request that you will be so good as to submit at a very early date any replies you may wish to make direct to the Committee at Calcutta.

CIVIL JUSTICE COMMITTEE.

1924

Questionnaire.

(Please make a careful *selection* from these questions.)

1. What do you think is the period reasonably required, *having regard to the habits and customs of the people of your province*, for the disposal of the following classes of civil proceedings:—

A. (*i*) *High Courts.*

Original suits: (*a*) commercial, (*b*) others.

First appeals.

Second appeals.

Miscellaneous appeals.

(*ii*) *District and Sub Courts.*

Original suits (*a*) Title, (*b*) Money.

Regular appeals Civil Miscellaneous appeals against orders.

Small causes.

(*iii*) *District Munsiffs' Courts.*

Original suits: (*a*) Title, (*b*) Money, (*c*) Rent, (*d*) Others.

Small causes.

B. (i) Claim proceedings in execution in District Courts, Sub Courts and District Munsiffs' Courts.

C. Suits in the Presidency Small Cause Courts, suits in the City Civil Court, Madras, and execution proceedings in these Courts.

2. Does the period actually taken now for the disposal of those proceedings exceed what you consider to be the reasonable limit in *many* cases? If so, what do you consider to be the main causes of the delay?

3. *Apart from any addition to the existing cadre of judicial officers, or the opening of temporary courts,* what remedies would you suggest for shortening the period during which civil proceedings are now pending?

4. Do you think it is necessary to alter the present method of recruitment of the different grades of judicial officers, namely, District Munsiffs, Sub-Judges, District Judges, and High Court Judges, for the purpose of speeding up proceedings? If so, how would you change the present rules?

5. Do you think any special training is necessary for District Munsiffs? If so what sort of training would you suggest?

6. Is justice impeded by the too frequent transfer of judicial officers from one district to another?

7. How would you prescribe a standard of efficiency for an officer as regards amount of work done? What steps would you suggest to insure its attainment?

8. Is the present delay partly due to the concentration of *many* civil courts in one place, and the consequent waiting for members of the legal profession?

9. Do you think any change in the jurisdiction of the several classes of courts working at present will lead to more speedy and less costly justice?

10. Would you enhance the jurisdiction of the District Munsiffs in your province in original suits and small causes; if so, to what extent?

11. Would you give special enhanced jurisdiction to selected District Munsiffs, and, if so, to what extent?

12. Do you think it is necessary to relieve the District Judge of miscellaneous work, (*a*) judicial, (*b*) administrative, which he is now doing, to give him more time to attend to important work? What is the kind of miscellaneous work which you would thus transfer from the District Judge and to whom?

13. Would the investing of Sub-Judges and District Munsiffs with jurisdiction to try probate and succession certificate proceedings and *land acquisition* proceedings be acceptable to the public? Would you invest all such officers with such powers, or only selected officers?

14. Would you confer *exclusive* jurisdiction on village courts and panchayats? What is your experience and opinion of the work done by such courts? Up to what extent and in what class of cases should such *exclusive* jurisdiction be given?

15. Would you restrict the scope of section 19 of the Presidency and Schedule (*ii*) of the Provincial Small Cause Courts Act and give Small Cause Courts jurisdiction over some and what classes of suits excluded from their jurisdiction at present? Is there any objection to suits to enforce simple mortagages by the sale of the mortgage property as also suits relating to partnership with small capital being dealt with by these courts?

16. (*a*) Do you consider that summary procedure as contemplated by section 128 (*2*) (*f*) C.P.C. could be introduced in the lower courts, and, if so, with what limitations?

(*b*) Would it be desirable (in Bengal and Behar) to include suits for rent on a registered Kabulyat or where there has been a previous decree establishing the relationship and the rate of rent.

17. Would the investing of *Sub-Registrars* with jurisdiction to try certain classes of cases which are not contested make for speedy and less costly justice? If so, what would you suggest as to the limits of that jurisdiction?

18. Do you think that at present the right to appeal is granted in too many cases? If so, in what classes of cases would you curtail it?

19. (*a*) As regards the High Court, do you think the curtailment of the right of appeal under letters patent from the judgment of a single judge is necessary, and, if so, in what cases if any would you curtail it?

(*b*) What do you think of the suggestion that in revisions and appeals from the moffusil of the value of Rs. 1,000 and under, no L. P. A. should be allowed ?

20. Are very many frivolous second appeals filed in the High Court of your province ? If so, how would you prevent it ? What do you think of the suggestion that in suits for property worth (*a*) Rs. 1,000 and less or (*b*) Rs. 500 and less or (*c*) Rs. 250 and less, no second appeal should be allowed, whatever the class of the suit ?

21. Would you agree to the suggestion that the appellant should be compelled to deposit in full the decretal amount before the second appeal is allowed to be filed ?

22. Is the power given under Order 41, Rule 11, duly and systematically exercised ? If not, what would you suggest to ensure this ?

23. Is the right of application in revision to the High Court much abused, and, if so, how would you curtail it ? Would you accept the suggestion (1) that in cases of revision under the Provincial Small Cause Courts Act, the decretal amount should be deposited in court before a revision petition can be presented, and (2) that no revision petition under section 115 should lie against such interlocutory orders as can be attacked in an appeal against the decree in the suit.

24. In what ways would you change the present procedure as regards the trial of *original* and *small cause* suits, with a view to make justice more speedy and economical ?

25. At present much time is taken *after* a suit is filed, in serving the defendants who are either absent or wilfully avoid service, when the process-server goes to serve the defendant's summons. What would you suggest as a remedy for this ? Would the application of the procedure under section 106 of the Transfer of Property Act to civil suits be desirable ?

26. Does the usual form of plaints in your province differ materially from the English writ and statement of claim? If so, would you insist on the latter form being used in all cases? Are the forms of plaints given in Civil Procedure Code adhered to generally. If not, what penalty whould you suggest for non-adherence thereto?

27. Are the provisions of the Civil Procedure Code in Orders VII and VIII as regards pleadings neglected much in your province?

28. Would the more extensive use of the post office for the service of notices and summonses be effective? Can the village officials of the village where the party to be served is living, be used for purposes of serving process, and, if so, with what precautions would you use them?

29. Would a rule be advisable requiring parties to give a registered address service at which should be deemed to be good service for all purposes of the suit and execution?

30. What do you think of the suggestion that process-server should always report himself to the pleader of the party on whose behalf he is taking out a process for service, so that the pleader or the party may assist him in finding out the person to be served and prevent waste of time.

31. What provisions would you suggest to ensure the better framing of issues?

32. Are the provisions of Orders X, XI, and XII, C.P.C. as regards the examination of the parties, discovery and admission of documents, neglected in your province? If so, what is the reason for such neglect? What would you suggest as the remedy?

33. Would the examination of both the plaintiff and the defendant, not merely with a view to ascertaining what the points in controversy are at the first hearing, but as part of the trial at the beginning of it, before any witnesses are examined, tend to minimise

the calling in of irrelevant evidence and of witnesses unnecessarily? Would you agree to the suggestion that it is only after the examination of the parties in that form, that any steps for the summoning of witnesses should be taken?

34. Is the provision in order 16, Rule 16, clause (1) strictly enforced in your province? If not, what steps would you suggest to put down the system of issuing summonses to witnesses again and again for the several hearings with the consequent delay due to non-service?

35. Is much unnecessary and avoidable oral evidence let in, in the courts of your province? What would you suggest to prevent the calling of several witnesses who ultimately prove nothing? Can you suggest any means by which the court can control the citing of a large number of witnesses and examination of them?

36. What is your opinion on the suggestion that in all cases where there is no appeal (except small causes) such as enquiries into claims, succession certificate proceedings, proceedings for removing and obstruction to delivery of property, as also in *ex-parte* proceedings, *affidavits* should be the primary mode of proof, and no oral evidence should be allowed, except with the special leave of the court on pre-payment of special costs?

37. What do you think of the suggestion that courts should have discretion to fix a time-limit for the examination and cross-examination of witnesses?

38. Would you extend the application of Order 37, C.P.C. and, if so, to what classes of cases?

39. Could the principle of representative suits be made of wider application and are any steps necessary to ensure that this form of suit is insisted on in proper cases? How would you deal with the case of (*a*) Mitakshara families, (*b*) other co-owners, (*c*) Malabar tarwad?

40. Is it possible and desirable to throw the duty on a legal representative to come forward and request the court to add him as a

party, on pain of his being bound by the decree, in case he was aware of the proceedings? If so, what would you suggest, as the most practical way of doing this?

41. Is much delay caused in the courts of your province by the difficulty of appointing a proper guardian *ad litem* for minor parties? If so, what would you suggest to remedy the defect? What do you think of the suggestion that instead of successive petitions being filed, as each proposed guardian refuses to act, the plaintiff should be made to name all the possible guardians in one petition and notice should be ordered to go to them simultaneously and the court should appoint at the hearing of the petition the one best fitted to safeguard the interests of the minor?

42. How far is the practice of granting *ex parte* injunctions and orders taken undue advantage of in your province? How would you check it?

43. Are judgments of the courts in your province unduly long in any appreciable number of cases and does such length interfere with the speedy despatch of business? If so, what would you suggest to shorten them?

44. Are points of law going to the root of the claim or defence usually disposed of before taking evidence in your province?

45. Are dates for original and adjourned hearing fixed by judges themselves in your province? If not, has it led to delay in disposal? If so, how would you check this irregularity?

46. Are pleaders usually consulted by the courts in fixing the time required for examination of witnesses and arguments? If not, has it led to any delay in disposal? What sort of rule would you frame to ensure such consultation?

47. Are trials in your province unduly delayed by the examination of witnesses on commission? How would you control the length of such examination? Would you add to the powers of commissioners? Would you insist on written interrogatories except by special leave of the judge?

48. Will the insistence on written applications supported by affidavits (*as a rule*) for adjournments, be of effect in speeding up work? Is the amount of *day* costs which can be allowed under the Rules on applications for adjournments in your province sufficient to prevent frivolous applications for adjournments?

49. Are suits not tried continuously day by day in the moffusil courts in your province in a *large number* of cases? If so, what do you think is the reason for such omission? How would you enforce such a rule?

50. Does the High Court exercise sufficient supervision over District Judges to ensure proper inspection by the District Judge of the lower courts?

51. Would a system of giving special expedition to *commercial suits* be of value in the subordinate courts of your province? If so, what method would you suggest?

52. What amendments would you suggest in the procedure for obtaining execution of the different classes of decrees?

What is your opinion on the following:—

53. Extension of the principle of section 21, Civil Procedure Code, to proceedings in execution.

54. Investing of courts to which a decree is transferred for execution, with the powers which a court which passed the decree has, as to adding of legal representatives, recognition of assignments of the decree, transfer for execution and similar matters.

55. So modify the language of section 47 as to include proceedings taken by a *stranger* purchaser at a court sale to obtain delivery of the property which he has purchased.

56. (*a*) Curtailing the period given in section 48 C.P.C. for the execution of money decrees to six years, (*b*) altering Article 182 of the Limitation Act by substituting one year for three years

therein, (*c*) altering of the starting point from the date of the last application to the date of the last order on the last application. What do you think of the suggestion that it shall not be necessary for a decree-holder to apply every three years or one year, and that he should be allowed to execute the decree at any time he finds it convenient to do so, provided he does not exceed the *6* or *12* years limit.

57. Altering section 66 of the Civil Procedure Code so as to prevent *any* party to the suit in execution of which sale took place from saying that the apparent purchaser is not the real purchaser and *any one* except the *bonâ fide* creditor of the real purchaser from setting up such a plea *whether he is plaintiff or defendant*, or is one who claims under either.

58. Altering Order 21, Rules 1, and 2, in such a manner as to restrict pleas of payment out of court, to payments through *post office* or a *registered bank or the vakil of the party to whom the payment is made* or *in the presence of the Sub-Registrar*.

59. Allowing the transferee of a decree on filing an affidavit by the transferor to the fact of the transfer to have execution as though he were the original decree-holder pending issue of a notice to the transferor. Is there any objection to the second proviso to Rule 16 of Order 21 being deleted or modified?

60. Is there any objection to the deletion of Order 21, Rule *21* altogether?

61. (*a*) Is a special notice under Order 21, Rule 22, necessary? Can it not be made part of the notice of the execution petition in which the substantial relief is asked for?

(*b*) Is there any objection to the deletion of Order 21, Rule *22* altogether?

62. In Order 21, Rule 26, will a provision that there shall be no interim stay in the case of money decrees work hardship? Would you agree that in the case of money decrees, the proviso of Order 21, Rule 26 should be modified so as to give a greater discretion to the court?

63. Is there any necessity for special notices in the different stages of execution proceedings in the case of money decrees sought to be executed by the sale of immoveable properties? Will it not be enough, as in the case of suits, if the judgment debtors are given one notice at the beginning of the execution proceedings, and it is ordered that they should be called to be present in court at all subsequent stages in respect of that execution petition, (*e. g.*, for settling of the proclamation, fixing of the sale, grant of permission to the decree holder to bid)?

64. Would you be in favour of a rule that in all cases the judgment debtor should be served with a copy of the proclamation of sale? Is there any reason why writs of attachment and sale proclamation should not issue simultaneously in all suits? Can it be made a rule that notice of execution petition may be served on the vakil who appeared for the judgment debtor in the suit and that that will be sufficient service? Can it be made a rule that refusal by the vakil to receive such notice is tantamount to refusal by the party?

65. Would you approve in your province of the system of the execution of arrest warrants by village officials, such as the village headman, or the village accountant?

66. What suggestions would you make for so altering the present procedure as regards mortgage suits as to make the sale in execution of a mortgage decree clothe the purchaser with a right to the property free from future litigation as much as possible? What is your opinion on the following suggestions:—

(*a*) that with the plaint, the plaintiff should file encumbrance certificate in respect of the property mortgaged for the period for which such certificate is available in the Registration offices.

(*b*) that the persons whose names appear in such encumbrance certificates or their legal representatives should as a rule, be made parties to such a suit and that the failure to do so should make the suit liable to dismissal for non-joinder of parties?

(*c*) that all parties to the suit should be allowed to plead their rights to the mortgaged property, and that such rights should be finally determined in that suit, at all events, *if the plaintiff so desires*,

(*d*) that all sales in execution of mortgage decrees shall be free of all encumbrances, and that the rights of puisne and prior encumbrancers should attach only to the money in court.

(*e*) Is too much time frequently granted by the preliminary decree in mortgage suits for payment? Is any time necessary?

In simple mortgage suits is there any necessity for a final decree? Is it necessary to have a separate personal decree where the security has been exhausted?

67. Is much avoidable delay caused in the disposal of execution proceedings by frequent orders staying such proceedings made by the appellate courts in your province? What would you suggest to prevent such orders being asked for and made? Would you invest the appellate courts with jurisdiction to award exemplary compensation in cases in which they are satisfied that they have been asked for on insufficient grounds; if so, what is the nature of the compensation which you would award?

68. Would you curtail the power of co-ordinate or inferior courts to grant injunctions to stay execution of other courts' money decrees by imposing restrictions and terms—such as that the money decreed should be deposited or security to the satisfaction of the court which is executing the decree should be given?

69. Does the present law as to insolvency stand in the way of a decree holder getting the fruits of the decree speedily? If so, in what way does it hamper? Is there any avoidable delay in the disposal of insolvency petitions and realization of assets by receivers in your province? Would the devolution of the exclusive

jurisdiction which a District Judge has in some cases under the present act make for speed in such matters? What kind of devolution and on whom, would you suggest?

70. Are execution proceedings in your province frequently delayed by absconding judgment debtors? What rule would you suggest to prevent it? Does the provision for arrest or attachment before judgment in the present code operate effectively to prevent such delay?

71. What provisions of the law of Evidence now operate to protract trials unduly? What is your opinion on the following suggestions:—

72. As regards mortgage suits, is it necessary to retain the provision that the plaintiff suing on it, must call an attesting witness, if available? Cannot the provision be so changed as to make every document of mortgage, presumably *valid*, and make the person who disputes its validity prove his case?

73. As regards secondary evidence, is it not desirable to allow the parties to consent to secondary evidence being given in any form, even as regards public documents, for example, papers printed by the High Court in a previous litigation? How much time is taken by insisting on what are called "*certified* copies?"

74. In what cases do you consider that the Law of Limitation might be made more stringent?

75. What changes in the substantive law of the country would you suggest for the purpose of speedy trial of suits, or speedy settlement of claims and speedy realization of the fruits of his decree by a *bona fide* decree holder?

76. Would you agree that all future partitions of immoveable property should be evidenced by a registered document?

77. What is your opinion upon a similar provision in the case of partnerships started with a capital of one hundred rupees and

more, as to the compulsory registration of all contractual partnerships?

78. Do you agree that the doctrine of "part performance" practically negatives the provisions of the Transfer of Property Act as to creation of titles in immoveable property and should not be allowed scope in this country, but that every transaction relating to immoveable property in which rights of the value of one hundred rupees and more are created and to which at present section 17 of the Registration Act would apply *if there is a document*, should be entered into *only* by a registered instrument?

79. That the discharge of obligations created by registered document should be valid only if there is a registered document to evidence it? (The cost of the registration may be made uniform—say one rupee—as in the case of the value of stamps for a receipt, whatever the value of the obligation.)

80. That no court should entertain a plea that any party executed a document, unless it is registered *in the case of persons who cannot sign their names*? What limitations would you suggest to such a rule in case you accept the general proposition?

81. What is your opinion on the system of allowing a person who is a party to a document or a transaction to say that a document executed by him is a sham and was never intended to be acted upon; that the apparent owner of property in whose name the title deeds stand, is not the real owner? Will the enactment of a rule that *no party* to a *transaction* shall be allowed to plead that it is benami, assist in the realisation of the fruits of a decree speedily and prevent unnecessary claimants?

82. Do you think frivolous suits can be put down by enhancing the rate of court fees in suitable cases, and if so, what suggestions would you make on this matter?

83. Is it necessary to retain the provision in the case of mortgage documents that they should be attested, and is there any

justification for making a difference between them and sale deeds and leases of equal value?

84. What suggestions would you make to prevent champerty and maintenance in India?

85. Would you give the court powers to refer to referees any class of cases, and if so what?

86. Has the multiplication of law reports interfered with speedy justice? What would you suggest to minimise their number?

87. Do you think that codification of law to a larger extent than heretofore would help to make justice speedy and economical? If so, what branches of law would you suggest for immediate codification?

No. T-475, dated 29th April 1924.

From Chamber to Civil Justice Committee.

My Committee were supplied with a copy of the Questionnaire of the Civil Justice Committee by the Government of Bombay, Home Department, with their letter No. 4140-III-B, dated the 21st February 1924 and were requested to submit their replies direct to you. I am accordingly directed by my Committee to send their views hereby.

As the Questionnaire of your Committee is mainly of a technical character my Committee are not in a position to give replies to all these technical questions. They would however like to emphasise that the cost of litigation in India is exhorbitant and it should be considerably reduced. With this object in view they recently supported strongly the proposal of the Government of Bombay to raise the jurisdiction of the Small Causes Court from Rs. 2,000 to Rs. 5,000. My Committee beg therefore to urge upon your Committee to seriously consider the feasibility of rendering justice cheaper and speedier than what it is at present.

APPENDIX 49.

MEDICAL RELIEF COMMITTEE.

No. Nil, dated 10th April 1924.

From Medical Relief Committee to Chamber.

By direction of the Medical Relief Committee recently constituted by the Government of Bombay to inquire into the whole question of Medical Relief and Teaching in the City of Bombay with special reference to the J. J. Hospital and the Grant Medical College, I have the honour to forward herewith a statement showing the existing and projected provision of hospital beds in this city and their allocation for specific purposes as also for free Medical Relief.

The Committee will be glad to be favoured with your view on the following points :—

(*i*) Do you think an increase in the accommodation shown in the statement to be necessary ?

(*ii*) If so, do you think it should be provided in large central institutions or in smaller but more numerous institutions ? In replying this question please indicate which of the existing institutions you think should be enlarged and in what localities (if any) you think more institutions are necessary ?

(*iii*) Do you think there exists a want of any special institutions non-existent, or insufficient at present to afford different kinds of medical relief and treatment in various ailments, acute and chronic ?

(*iv*) It has been suggested that the administration of all the Bombay Hospitals should be placed under a Central Medical Board on which the Government, the Municipal Corporation, principal donors and subscribers and

principal medical officers of some hospitals will be represented. The Board would administer funds contributed by Government, the Municipal Corporation and the public. Do you consider that such a Board would be desirable?

(*v*) Can you suggest any methods for interesting the public in the maintenance of hospitals and particularly for the collection of funds to supplement the sums made available by Government, and the Corporation or by charitable endowments?

The favour of a very early reply is requested.

Statement showing the Existing and Projected Hospital accommodation in the City of Bombay.

In order to determine the extent to which the present hospital accommodation, if found inadequate, should be expanded, it is necessary to consider the present population of the city and its anticipated increase in the near future. The Census figures give the following data :—

Census of	1901...	... 776,006.
Do.	1911...	... 979,445
Do.	1921...	... 1,175,914.

These figures indicate a decennial increase of about 200,000 persons; should this rate continue in the near future, it is anticipated that the population will work out by 1931 as under:—

Estimated Population in		1921	... 1,259,414.
Do.	do.	1930	... 13,57,649.
Do.	do.	1931	... 13,72,383.

What provision the City is prepared to make to meet the ever increasing demand for hospital accommodation is the question the solution of which can no longer be delayed. And with the view to facilitate such solution, the following facts are presented :—

1. There exist in this city at present adequate hospital provision for certain sections and communities, that should be excluded in considering the wants of the general population. They are :—

	Population as per Census of 1921.
(a) Europeans and Anglo-Indians... ...	19,450
(b) Parsees ... ... — ...	52,234
(c) Indian troops and vatings	500
(d) Bombay Police	3,902
(e) Railway Employees	19,591
(f) Prison population	675
Total ...	96,352

Deducting the above total of 96,352, from the population as per Census of 1921, 1,175,914, there remain 1,079,562 individuals whose wants have to be considered.

2. The approximate number of Hospital beds available at present and projected may be stated at 3,800. These are distributed as under :—

(a) Beds available at Government, Municipal and other Charitable Institutions ...	1,284
(b) Beds projected do. do. ...	414
(c) St. George's Hospital	222

(d) European Infections Diseases Hospital or Arthur Road Hospital 56

(e) British and Indian Station Hospitals ... 561 *

(f) Police, Railway and Prison Hospitals ... 137

(g) Acworth Leper Asylum 364

(h) 28 Private, Communal and General Hospitals and Nursing Homes (chiefly surgical, maternity, and eye diseases and a few general); approximate 762

Total ... 3,800

3. The existing 1,284 beds are distributed among the following hospitals :—

1. The Jamsetjee Jeejeebhoy Hospital ... †(308)
2. The Bai Motlabai Obstetric Hospital ... (46)
3. The Sir Dinshaw M. Petit Hospital for Women and Children ... ... (50)
4. The Sir Cowasjee Jehangir Ophthalmic Hospital ... ... (73)
5. The Pestonjee Hormasjee Cama Hospital for Women and Children ... ... (87)
6. The Bomanjee Edaljee Allbless Obstetric Hospital ... ... (63)
7. The Goculdas Tejpal Hospital ... ... (120)

* The Northcote Police Hospital has 80 beds, which will be shortly increased to 112.

† 36 Beds reserved for Parsees.

8. The Adam's Wylie Memorial Hospital ... (69)

9. The People's Free Hospital ... ... (33)

10. The Arthur Road Infectious Diseases Hospital ... ... (Municipal–160)

11. The Maratha Plague Hospital (do. –106)

12. The Turner Sanatorium ... (do. – 32)

13. 14. 15. The Hajee Mahomed Saboo Siddick Maternity Homes at Belasses Road, Imamwada, and Chinchpoogly (do. – 53)

16. The Nowrosjee Wadia Maternity Hospital ... ... (30)

17. The Aimae Merwanjee Chamarbagwalla Free Ophthalmic Hospital ... ... (36)

18. *The Bhatia Maternity ... ... (12)

19. The Byramjee Jeejeebhoy Home for Children... ... ... (6)

4. The 414 Projected beds will be distributed as under:—

1. The King Edward Memorial Hospital ... (284)

2. The Mahomedbhoy Currimbhoy Maternity Home ... ... (50)

3. Goculdas Tejpal Hospital Extension ... (80)

5. The above existing and projected beds are and will be allocated respectively for the following purposes:—

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* For Bhatia Women and Children only.

	Existing Beds.	Projected Beds.	Total.
Medical and Surgical cases ...	594	236	830
Maternity and Diseases of Women and Children ...	235	98	333
Eye Diseases	109	16	125
Tuberculosis	80	52	132
Infectious Diseases	266	...	266
Extra	...	12	12
Total ...	1,284	414	1,698

It thus appears that when the projected extensions are completed within a year or two, this city will have 1,698 beds available for the general population that may be then estimated at about 1,150,000 exclusive of the Communities and sections above noted.

No. T-712, dated 19th June 1924.

From Chamber to Medical Relief Committee.

With reference to your letter dated the 10th April 1924, I am directed by my Committee to send hereby their views on the various points contained in your letter under reply :—

1. It is very necessary to have an increase in the accommodation shown in the statement accompanying the letter of the Government. With the increase in the population in the City there has not been a corresponding increase in the hospital accommodation and this defect needs to be removed as quickly as possible.

2. Such additional accommodation should be provided in large Central institutions so that expenditure may be minimised as much as possible. My Committee do not like to enter into the details with regard to the particular institutions which should be enlarged and the particular localities where such institutions should be provided as such details should better be considered by experts in the line. My Committee may however be allowed to point out that accommodation in hospitals for Indians is entirely inadequate in proportion to their population as compared with that for Europeans in proportion to their population. The existing and projected beds exclusively for Europeans (c) St. George's Hospital 222 and (*d*) European Infectious Diseases Hospital or Arthur Road Hospital 56) works out at about 14·3 per 1000 of the total European population while the number of existing and projected beds for Indians ((*a*) beds available at Government, Municipal and other Charitable Institutions 1284 and (*b*) beds projected 414) works out at 1·46 per 1000 of the total Indian population. My Committee beg therefore to suggest that these proportions should be readjusted as fairly as possible.

3. There should be clinics and dispensaries for venereal cases which in large and industrial cities like Bombay require special attention. The present maternity Homes should also be doubled immediately.

4. The Board as proposed appears desirable.

5, My Committee cannot suggest any other method for raising the funds beyond the usual one of appealing to the charitable people to contribute to such benevolent projects. They are opposed to any cess or tax for the purpose of raising funds in this connection, as they are of opinion that the taxable capacity of the people has been reached and that no further taxation is justifiable. The Government and the Municipal Corporation must

find means through necessary retrenchment elsewhere to finance additional hospital accommodation.

'It is the experience of my Committee that middle class people cannot take advantage of free public hospitals, either because they themselves do not like to go to these free hospitals or because they cannot get admission there. My Committee suggest that there should be certain hospitals which should admit patients on a payment of a small charge. This will be a great relief to the middle class people who cannot go to hospitals and who cannot get good treatment at home because of the increase in the cost of living.

APPENDIX 50.

BOMBAY UNIVERSITY REFORM COMMITTEE.

No. 48, dated 10th July 1924.

From University Reform Committee to Chamber.

Government has appointed a Committee to consider the question of the reform of the Bombay University. The Committee is desirous of obtaining the views of individuals and associations who are acquainted with the conditions of Secondary and University education and interested in the development and improvement of higher education in this Presidency. The Committee will be glad to receive answers to such of the questions in the accompanying 6 copies of questionnaire as relate to matters in which your Chamber is interested and with which its members feel themselves familiar. The Committee hope that, if it requires further elucidation of your Chamber's views, your Chamber will be prepared to give further evidence orally before the Committee.

2. It is requested that any representation you desire to make be addressed to the Secretary, Committee on University Reform, Secretariat, Bombay, and reach him by the 31st July at the latest.

QUESTIONNAIRE ON UNIVERSITY REFORM IN THE BOMBAY PRESIDENCY.

I. Aim and function of University Education (Questions 1-3).

1. What in your opinion should be the aim and functions of University education in the Bombay Presidency? Do you consider that the existing system of University education in this Presidency affords the young Indians of this Presidency adequate opportunities of attaining this aim? If not, in what main respects do you consider the existing system deficient?

2. Do you consider that the defects pointed out by you mainly lie in or spring from (*a*) the spirit and methods of instructor or pupil: (*b*) the conditions of education antecedent to the students' entrance of the University: or (*c*) the administrative or educational machinery of the University?

3. How far in your opinion has the University promoted knowledge of, and mutual interest in and sympathy for, the history and culture of the different communities in this Presidency? Can you suggest means by which this can be further promoted?

II. Secondary and Intermediate Education (Questions 4-7).

4. Do you consider the training and attainments of students coming out of our High Schools sufficient preparation for entering upon University education? If you consi-

der this preparation inadequate, have you any suggestions for the improvement of the present conditions?

5. Do you consider the creation in this Presidency of (*a*) a new set of institutions intermediate between High Schools and University (*b*) a new Board of Secondary and Intermediate Education such as was proposed by the Calcutta University Commission necessary or desirable? If so, how should such institutions and such a Board be constituted and financed?

6. If you consider intermediate institutions, with or without an Intermediate Board, unnecessary or undesirable; how without them could the level, range and effectiveness of existing High School education in this Presidency be improved?

7. How may the University best secure the *maintenance* of efficiency in the institutions that send students to it for admission?

III. Functions of the University of Bombay. (*Question 8-24*).

(*a*) *Teaching.* (*Questions 8-13*).

8. In what directions is it necessary and practicable as well as advisable, in your judgment, to extend the functions of the University of Bombay so as to make it predominantly a teaching University?

9. Do you consider that the University should, in addition to post-graduate teaching, take any direct part in undergraduate teaching? If so, how would you reconcile and coordinate the teaching functions of the University with those of the existing teaching institutions?

10. If you do not consider that the University should take any direct part in undergraduate teaching, how by proper coordination would you utilise to the best advantage the existing facilities for undergraduate study?

11. Is it necessary or desirable for the Bombay University, if it assumes teaching functions, to undertake direct responsibility for the control and maintenance of any of the Colleges affiliated to it or of any other institution?

12. Do you anticipate any difficulty arising from an overlapping of the jurisdiction of the University and professional organisations?

13. If the Bombay University does not directly control and maintain the Colleges affiliated to it, by what means can it fully ensure that every institution affiliated to or incorporated in it is adequately staffed, adequately equipped, and effective in educational work?

(*b*) *Organisation of Learning* (*Questions 14-15.*)

14. What resources and facilities at present exist in or near Bombay City for the formation of a great centre of learning? How far are these resources organised to serve this purpose? What changes, if any, and what expansions would you suggest?

15. How would you bring about a closer relation and co-operation between the University and the various institutions and societies in Bombay for teaching, learning, investigation, and experiment.

(*c*) *Prescribing Courses and examining* (*Questions 16–19*).

16. How in your opinion has the University been discharging the functions of (*a*) conducting examinations, (*b*) prescribing courses of study, and (*c*) appointing text books? Would you suggest any modifications in the exercise of these functions?

17. How far can University examinations be profitably replaced or supplemented by other means of testing proficiency, intelligence and competence?

18. Of what branches of study should the Bombay University undertake the teaching immediately and in the near future?

19. In considering the extension of the teaching functions of the University of Bombay and bearing in mind the special requirements of the people of Bombay, would you suggest the institution of any more faculties e.g., of Fine Arts or Technology, so as to make the scope of the University broader, more liberal, and more comprehensive?

(*d*) *Postgraduate courses and degrees* (*Questions 20–21*).

20. When the Bombay University further develops its teaching functions, what should be the duration of studies for post-graduate degrees? How would you award such degrees, whether by examination, thesis, original research or a combination of one or more of these?

21. Do you wish to institute any new degrees *honoris causa* and, if so, on what grounds would you have them awarded?

(*e*) *Promoting Research* (*Questions 22–23*),

22. How can the University best encourage and guide independent investigation of Indian and especially Bombay problems, whether historical, economic, sociological, industrial, or other?

23. Is there any need for the creation of a University Press and Publication Department? How might such Department be organised and financed?

(*f*) *Appointing University teachers* (*Question 24*).

24. In a Bombay Teaching University what should be the method of selecting and appointing University Professors

Readers, Lecturers etc.? What qualifications are requisite in them? What range of salaries do they require? What should be the conditions regulating their appointment and tenure of office?

IV. Additional Universities in Bombay Presidency (Questions 25–30).

25. Is it desirable to constitute any additional Universities within the Bombay Presidency? What centres of higher education in the Presidency do you consider (*a*) ripe for immediate expansion into Universities (*b*) likely to be ripe in the near future; and on what grounds?

26. Can you give an outline of a scheme showing the educational character, administration, constitution, territorial limits, and relation to existing institutions, general or professional, which you suggest for any new University that you may propose.

27. What financial resources would be requisite for any new University you propose? Whence do you think these resources can be obtained?

28. How would the institution of additional Universities affect the existing University of Bombay? How would you secure co-operation, co-ordination, and reciprocity between the University of Bombay and the new Universities? What arrangements do you suggest for the period of transition?

29. How would you deal with the endowments now at the disposal of the University of Bombay in the event of new Universities being established in the Bombay Presidency?

30. What principles or policy should be followed by (a) the Bombay University (b) any new University within this

Presidency in permitting the opening of any new College or institution, constituent or affiliated?

V. Relation of the University and the public (Questions 31-34).

31. How far do you consider the curricula of the Bombay University satisfy the needs of agricultural, industrial, professional, and public life in the Presidency, and especially in the City of Bombay?

32. Can you suggest methods of promoting cordial relation and co-operation between the University and other public bodies whether industrial, commercial, professional, Municipal, or Governmental?

33. What measures should be taken to bring the University and its working into closer relation with the industrial and commercial life and interests of the City?

34. What should be the extent and purpose of the University's contribution to the education of the adult non-collegiate population? How should the University organise extension lectures, vacation terms and other measures to this end?

VI. Relation of University and Government (Question 35).

35. What should be the relation of the Government of India and of the Government of Bombay to the University of Bombay and to any new Universities that may be created? What modifications, if any, do you think necessary in the existing powers of the Chancellor and of Government to control University finance, legislation, appointments of University officers and teachers and membership of University bodies? What should be the relation, if any, of the Director of Public Instruction and the Minister in charge of Education to the University?

VII. Constitution (Questtion 36–40).

36. What defects do you find in the constitutional machinery of the University of Bombay?

37. What should be the strength, composition, duration of office method of constituting and powers and functions of the Senate? Who, if any, should be ex-officio, life, and nominated members of the Senate? How does your method of constituting the Senate secure the representation of all interests and communities?

38. Do you consider that it is necessary or desirable to decentralise the powers and functions hitherto exercised by the Syndicate of the Bombay University? If so, what powers or functions would you remove from the Syndicate and to what new or existing bodies of the University would you assign them? How should the Syndicate so reorganised and any new bodies you may propose be composed?

39. What functions and powers would you assign to the Faculties and Boards of Studies? How should these bodies be constituted and appointed?

40. Should (*a*) the Vice-Chancellor and (*b*) the Registrar of the Bombay University be whole or half time officers, and honorary or salaried? How and on what conditions should they be appointed? What should be the powers and duties of the Vice-Chancellor?

VIII. Curricula (Questions 41–44).

41. Are you generally satisfied with the subjects and curicula at present prescribed for the various University examinations? If not, can you indicate the changes you desire?

42. Are you in favour of establishing (*a*) an absolute or (*b*) a greater differentiation of the pass and honours courses?

How would such differentiation affect the Colleges and students?

43. Would you approve of an absolute exclusion of science from the Arts Courses? Do you approve of the present dissociation of literature and Arts from the study of Science?

44. Do you consider the existing courses for the Bachelor's and Master's degrees provide a sufficient variety of options and satisfactory combinations and correlations of courses of study?

IX. Use of the Vernaculars (Questions 45–46).

45. To what stage and to what extent do you consider the vernacular can and should be used to replace English as the medium of instruction and examination (*a*) in Bombay (*b*) in any newly constituted University? What safeguards do you suggest to secure that the standard of English acquired by students does not suffer from such replacement?

46. What do you consider the best method of promoting the scientific study of the vernaculars of this Presidency and for encouraging the production of good vernacular literature of all kinds?

X. Conditions of life, health, and housing of students (Questions 47–48).

47. How can the Bombay University exercise closer control over or influence upon the conditions of life, health, and housing of its students?

48. To what extent should new Universities be made residential? Is it possible to establish a residential area or areas in the case of Bombay and if so where?

XI. Employment Bureau (Question 49).

49. What University organisation, if any, do you suggest for securing adequate and suitable employment for its alumni?

XII. Women students (Questions 50–51).

50. Do you consider that any differentiation from the curricula of male students is required in this Presidency for female students?

51. Do you consider there is any need for a separate University or separate colleges for women?

XIII. Special communities (Question 52).

52. Do you consider any special measures are required for the promotion of University education in any particular community.

XIV. Finance (Questions 53–54).

53. Can you estimate the additional cost to the University of any changes you have suggested? Will you further indicate the resources from which additional funds for this purpose may be obtained?

54. How can the financial resources of the Bombay University be increased to enable it to reform or improve or extend its methods, equipment and organisation

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No. T.-1051, dated 25th August 1924.

From Chamber to University Reform Committee.

With reference to your letter No. 48, dated the 10th July 1924, I am directed by my Committee to enclose herewith their replies

to the questionnaire of the University Reform Committee and to inform you that the Hon. Mr. Lallubhai Samaldas, C.I.E., (65, Apollo St. Fort) has been appointed as Chamber's representative to give oral evidence before the Committee.

Written evidence of the Indian Merchants' Chamber submitted to the University Reform Committee, Bombay.

Ques. 31 :—The Bombay University as it is organised to-day has courses of studies and awards degrees in Agriculture, Engineering, Law and Medicines, Commerce, and Arts and Sciences, but with the possible exception of Law and Medicines it can scarcely be said to be meeting fully the needs of the Bombay Presidency and particularly of the City of Bombay, in matters industrial and those relating to the public life of the Presidency. At the present time our public is a prey to amateurs all over the country and the University seems to consider it a point of honour to remain as far aloof from public life and questions as possible under the pretext of considering those to be controversial or partisan subjects. For a proper equipment and training for the conduct of the public affairs of a growing democracy it is necessary, however, that the chief centre of learning, a University, should do all it can to implant the scientific basis in its alumni for all questions relating to or agitating the public life of the Province. Without going to the length of suggesting that a special degree be instituted in connection with public administration and municipalities, it may still be stated that the Bombay University courses need to be very considerably amplified in subjects relating to the administration of the country such as the Constitution and Finance of all public bodies for example.

Ques. 32 :—As regards the question of promoting cordial relations and hearty co operation between the University and the other public bodies, Industrial, Commercial Provincial, Municipal, or Governmental, the first requisite is to bring about representation on the governing body of the University of the various corporations

concerned. The University must not remain exclusively aloof from Commercial or Provincial Associations, from Municipal or Governmental organisations. It must have representatives upon its own Supreme body from these various organisations in the City and that the attendance and strength of such representation may not become perfunctory they might be drafted with advantage by the University's governing authority upon its various subordinate bodies such as its Faculties, Boards of Studies, Employment Bureau, its Scientific or Experimental Clubs, or whatever other organisations there may be functioning under the University which are likely to be of interest to the Associations abovenamed. Particularly would this be interesting to the industrial and commercial bodies if Departments of Studies or training which directly minister to the greater efficiency of our local industries and commerce by giving the operatives the necessary equipment for their task are made open and made capable of being influenced by the industrial and commercial organisations so as just to suit their own requirements. A problem in applied science for example which may be agitating the local industrial life very much might still have to escape the attention of the University if the University and industrial organisations remain mutually apart. By their mutual representation and constant connection each will come to know the needs of the other and also promote their joint welfare by co-operation and support. In the case of Governmental and Municipal bodies on the other hand the immediate interests in the University may not seem very great unless is regarded all educational work and particularly of the highest kind as of paramount importance to all governing authorities whether municipal or provincial or national. The University of Bombay may however extend its functions quite legitimately, profitably and beneficiently to such incursion in the mass education as to make the Municipality of Bombay directly interested in the welfare of the University. The same expedient of securing mutual representation between the University and the Corporation would serve to revivify interests and maintain cordial relations and understanding and if the University undertakes work of the kind instanced above in the education of the mass of the City of Bombay there is no doubt but that the Municipal authorities might make over funds or subsidize

the University to promote its general as well as special aims of mass education. In the case of the Bombay Government on the other hand, the general concern that all properly constituted and sympethetic Governments ought to feel for the promotion of education in the population left to their care would require no further inducement for the Government of the Province to have a lively concern in the well-being of the University. There ought to be atleast in the case of the Government's relations with the University no such thing as a *quid pro quo*. Whatever support the Government feels it necessary and advisable to grant to the University in the matter of promoting its prestige and authority, securing recognition for it by other learned bodies in foreign countries, promoting its financial well-being, etc., should be given without demanding or expecting any such consideration as a preponderating representation of Government in the University. The Government should be satisfied only with such a small representation as may be just sufficient to watch their interests. To make the University entirely popular it would be advisable to exclude Government altogether from any such vestige of power which may be liable to be abused at the discretion of the supreme head of the Government, and accordingly any powers affecting the constitution of the University, *e.g.*, the nomination of the members of the Senate which may be still left to the Government should be exercised exclusively through the responsible Minister of Education, if this be constitutionally possible rather than the supreme head of the Government or through the latter only on the distinct understanding that the convention of acting through the responsible constitutional adviser, the Minister-in-Charge of Education, is accepted and acted upon. The Vice-Chancellor should be elected every two years by the Senate and not be nominated by the Government as at present.

Ques. 33.—It has already been said in answer to the previous questions that the University could be brought into more direct touch with the commercial and industrial life of the City by the introduction of courses and institution of degrees in Mechanical and Electrical Engineering, Fine Arts and Technical subjects, etc. and developing these courses and courses in commerce and science where they are

inadequate for the advanced needs of the City and in general by so designing the University activities altogether as to minister well the needs of the commercial and industrial community of the Province. Representation of commercial and municipal bodies has also been mentioned above as an instrument for bringing into colser relations the University and the commercial life of the City. To achieve all these objects measures should be taken to make the University a teaching University and not to keep it merely an examining university as it is at present. It can only be as a Teaching University that it can take its natural and legitimate place in public by providing for educational needs of the commercial and industrial community, the non-collegiate adults and the education of the masses.

Ques. 34.—As regards the University contribution to the education of the adult non-collegiate population of the City the matter can be viewed from two distinct standpoints. There is first the case of those non-collegiate adults who being unable to prosecute their studies after the School Leaving standard owing to social or economic reasons are yet anxious to carry on university education with a view to help them in their special avocations. For these the University might institute special extension classes or even lectures, if not in a University course for a given degree atleast, in those special subjects which relate to their profession or occupation in life and to distinguish in which might be directly of advantage to such people in their promotion in life. This is somewhat different from the so called adult education of to-day where the student chooses not only the subject of instruction but also the manner and method of instruction. Such adult classes would really be the normal work of the University and may even culminate in degrees if a sufficient number of subjects are separately passed examination into by such candidates. They are simply designed on something over and above the ordinary activities of the University with a view to facilitate people actively engaged in given occupations to carry on University education.

But the much bigger problem in adult-non-collegiate education is concerned with the education of the masses of the people who may not even passess the basis of education necessary for modern Uni-

versity courses, or who may not have even the primary standard of learning on which to base further instruction. For the mass education or the enlightenment of the democracy it is necessary that the University should have a special department of itself conducting instruction in problems that affect the daily life of the population in which the latter may be called upon at any time to declare its wishes. The declaration however will be very much beyond the mark if the electorate or the mass pronouncing its verdict is unable to realise even the element of the problem concerned. Hence it is incumbent upon the educational centre and organisation of learning in the Presidency to devise means through its highest teaching and in the simplest language possible for the general instruction in the elements of all public questions that may affect the health and prosperity and wellbeing in general of the people concerned. Organisation of such an extension of the University would be peculiarly difficult inasmuch as the taste for such knowledge has yet to be created but if by the help of the Cinem a the methods of visual instruction are pressed into the service, there is no doubt that instruction of this nature instead of being made a burden might convey an amusement to the population and as such may grow in popularity amongst them. It may further be observed that the timings of such lectures or courses of instruction would have to be selected with peculiar care and will probably have to be in those seasons of holidays or at moments of special interest of a given problem owing to the circumstances when 'the popular mind is specially disposed for listening to discourses on such topics. In any case it must be an extraordinary activity of the University both in time and manner and will probably have to be arranged in concert with the local governing bodies, *viz.*, the Municipality. Be it observed in conclusion that it is distinct from the ordinary Municipal activities in matters educational which are so far confined only to primary education. A concert between the University and the Municipality might bring about the concentration for all educational work from the primary standard onwards right upto the highest institution owned of one single authority, the University of Bombay.

APPENDIX 51.

THE TARIFF BOARD.

(a) Protection of the Indian Cement Industry.

No. T.-161, dated 9th February 1924.

From Chamber to the Government of India, Department of Commerce.

I am directed to draw attention of the Government of India to the representation jointly addressed by all the Cement Companies working in this country to the Tariff Board, a copy of which is also sent to you.

The joint representation has set forth in details all the different grounds on which assistance is sought from the Government. My Committee would like to emphasise however specially the inequality between Railway and Sea freight which gives an undue advantage to foreign cement manufacturers in their competition with indigenous concerns at Ports. The freight from Gwalior to Bombay is about Rs. 17 per ton as against only about Rs. 9 per ton from Japanese ports to Bombay and about Rs. 14 per ton from British ports to Bombay. Freight from Katni to Bombay is Rs. 13-11-0 and from Jubbulpore to Bombay is Rs. 15. It will be thus seen how great an advantage foreign cement manufacturers have in this matter of freight as against their Indian competitors. Freight from Porbunder, which is one of the manufacturing places, for cement to Bombay is Rs. 6 as it is a sea-route but freight to Calcutta is Rs. 20 per ton also by sea while freight from Japanese ports to Calcutta is about Rs. 9 only. Freight to Calcutta from Katni, Gwalior and Jubbulpore respectively is Rs. 12-4-0, Rs. 21 and Rs. 17-8-0. It will be seen from the figures given below that huge quantities of cement are still being

imported from the United Kingdom, Belgium, Japan and other foreign countries to the detriment of the indigenous industry, inspite of the fact that the indigenous supply is far in excess of the total requirements of the country.

Imports of Cement.

	1920-21.	1921-22.	1922-23.	From 1st April 1923 to 31st December 1923.
	Tons.	Tons.	Tons.	Tons.
From the U. K. ...	123,283	79,886	96,976	71,712
„ Belgium ...	2,500	5,118	4,776	1,764
„ Japan ...	410	18,836	4,238	59
„ Other foreign countries.	4,528	20,887	28,125	10,279
	1,30,721	1,24.727	1,34,115	83,814

My Committee are still making inquiries regarding freight from British Ports to Calcutta and to Persian and African ports. But the information which they have received already and are communicating hereby to Government is sufficient to prove the necessity for some protection to the Cement Industry. Looking to the fact that the production in the country has outstripped the consumption there is no reason why a single ton of foreign cement should be imported into this country.

My Committee therefore beg in conclusion to request the Government to be pleased to take all the facts and the joint representation of Cement Companies in their kind consideration and to take such steps including reference to the Tariff Board as my be necessary to give help to this important industry.

No. 16-T. (2), dated 22nd February 1924,

From Government of India, Department of Commerce to Chamber.

In reply to your letter No. T.-161, dated the 8th February 1924, I am directed to say that the Government of India are now considering what subject should be remitted to the Tariff Board for examination on the conclusion of their enquiries into the steel and derivative industries.

Your representation, for which I am to thank you, will receive careful consideration.

No. 682, dated 28th July 1924.

From Tariff Board to the Chamber.

I am directed to forward a copy of evidence of the applicants for protection recorded by the Tariff Board in the course of their enquiry into the cement industry.

2. I am to say that if the Chamber desire to supplement their previous communication by any further expression of their views on the claims put forward, the Board will be glad to receive it. The Board also hope that the Chamber will depute a representative to give oral evidence. The dates when the Board will take oral evidence at Bombay are stated in the Press Communique, which is printed at the beginning of the evidence.

No. T.-1121, dated 11th September 1924.

From Chamber to Tariff Board.

With reference to your letter No. 682, dated the 28th July 1924, I am directed by my Committee to inform you that they do not desire to supplement their previous communication which conveyed their views fully. For the same reason they do not wish to depute any representative to give oral evidence.

(B) Delay in the work of the Tariff Board.

No. T.-260, dated 6th March 1924.

From Chamber, to Government of India,
Commerce Department.

I am directed by my Committee to acknowledge with thanks your letter No. 16-T (2) * dated the 22nd ultimo.

My Committee find that the investigation of only one Industry, *viz.* the Iron & Steel Industry has taken the Tariff Board over eight months and their report is even now not placed before the public.

My Committee regret that the urgency of the issues involved which vitally affect the very existence of the various industries of this country is not sufficiently appreciated by either the Tariff Board or the Government as otherwise such delays would never be permitted.

If the Tariff Board has taken nearly a whole year to investigate into the need for protection to only one industry my Committee wonder how many years it will take to investigate the necessity of protection to the many other industries and they beg to point out to Government that such delays would be fatal to the very object of these investigations as at the present rate of progress by the time the Government makes up its mind to give adequate protection to a particular industry such industry might be extinct.

My Committee therefore urge that the investigations by the Tariff Board should be carried on more expeditiously.

My Committee will feel obliged if the Government of India will be pleased to supply them with the future programme of the Tariff Board. If there is no fixed programme my Committee beg to suggest that the Government of India should fix a programme of work of the Tariff Board, stating therein those industries which require investigation in order of their importance and the Tariff Board should be

* Vide Page 333.

asked to undertake their investigations according to such fixed programme.

No. 273-T., dated 20th March 1924.

From Government of India, Department of Commerce to Chamber.

I am directed to acknowledge the receipt of your letter No. T.-260, dated the 6th March 1924, in which your Committee complains of the delay of the Tariff Board in submitting its report on the Steel Industry.

2. In reply, I am to say that the Government of India desire to dissociate themselves entirely from the views expressed in your letter. I am to point out that the investigation into the claims of the Steel Industry to protection involves grave issues. Many other industries are vitally concerned and it was absolutely necessary for the Tariff Board not only to allow these industries ample time and opportunity to present their side of the case, but also to endeavour to appraise in the most careful manner possible the effect of any recommendations it might wish to make upon the general well-being of the country. I am to add that it is essential that the Tariff Board should enjoy the confidence of the country and that it is not likely to retain that confidence if the impression is allowed to get abroad that its enquiries are hurried and its recommendations hastily conceived. The Government have already explained their reasons why it is impossible for them to lay the Tariff Board's report before the Legislature this session and they desire to take this opportunity of saying that they accept full responsibility for this decision and do not desire in any way to lay any part of that responsibility on the Tariff Board. On the contrary, they are aware that it was only by unremitting labour on the part of every Member of the Tariff Board that it was able to submit a comprehensive report on a complicated subject as early as it did.

3. In conclusion I am to state that following the procedure laid down in the Resolution of the Government of India No. 3748, dated 10th July 1924, additional subjects will shortly be remitted to the Tariff Board for enquiry.

No. T-394, dated 10th April 1924,

From Chamber to Government of India, Department of Commerce.

Your letter No. 273-T., dated 20th March 1924, was considered by my Committee at their meeting held on the 29th ultimo. My Committee regret that your reply seeks only to justify the question of time taken by the Tariff Board in submitting their report on the steel protection, but I may point out that this covers only one part of my letter dated the 6th ultimo. My Committee fully appreciate the necessity of an exhaustive enquiry into any subject taken up by the Tariff Board, and while they wish to make it clear that the personnel of the Tariff Board as at present constituted makes it impossible for them even to imply directly any charge of avoidable delay in their deliberations, I am, however, directed to point out that the protest of my Committee was more against the system followed than against the particular case of the consideration of protection to the steel industry. My Committee are anxious to make it clear that they do not wish to even imply that the Tariff Board could have done better under the circumstances in which they were asked to work by the Government.

Since my letter of the 6th ultimo was addressed to you my Committee have seen the announcement made by the Hon'ble the Commerce Member in the Legislative Assembly stating that the Government of India will not be able to make any definite pronouncement regarding their views on the Tariff Board's report till next May. I need hardly add that this announcement was received by my Committee, in common with the whole of the commercial community in India, with great disappointment. The reasons of my

Committee's disappointment are obvious. One of the main reasons is that these two extra months till June will give further time for dumping steel manufactures into India. As my Committee are not aware of the detailed reasons why the Government of India had to delay taking action on the Tariff Board's Report for two months, they do not desire to make any further comments at this stage.

But my Committee are very anxious to express their views at some length regarding the latter part of my letter to you dated the 6th ultimo. The Government of India cannot be unaware of the pace at which the Tariff Board of the United Kingdom made close and steady inquiries into a large number of industries when it was working. They would also like to draw the Government of India's attention to the manner in which the Tariff Commission of the United States work. My Committee have seen a copy of the Act creating the Tariff Commission in the United States and they venture to urge on the Government of India action on similar lines. What happens at present in India appears this: The Tariff Board moves from place to place to give an opportunity to persons interested in an industry to put their views before them. This naturally takes a good deal of time. My Committeee would like to know if it would not be feasible to locate the Tariff Board permanently at a centre like Delhi or Simla, and ask the various persons interested in certain industries which may be under the consideration of the Tariff Board for the time being to come up to the Headquarters of the Tariff Board and place their views before the said Board there. After the collection of this evidence, if the Tariff Board thinks it necessary before they arrive at a decision, to visit certain places such as say, Jamshedpur Works, or the Bengal Coal Fields, as the case may be, they may do so. A procedure like this, my Committee venture to suggest, would considerably curtail the time of the Tariff Board, which is at present spent in travelling to and fro.

One further suggestion would be that the Tariff Board should be invested with the power, which the American Tariff Commission enjoys, of summoning witnesses to give their evidence. Of course

side by side with these changes, the Government of India will have to make up their minds to call for evidence as recorded by the Tariff Board in periods much shorter than what happened in the case of the steel industry, and an interim report thereon by the Tariff Board. These suggestions, if accepted, would enable the Tariff Board to do their work much quicker and would inspire real confidence in the work of the Tariff Board and in the intentions of the Government of India to make protection available to the industries, which may need same.

It may be a most unfortunate coincidence, but the fact remains that industries in India are at present passing through critical times. Owing to depreciation in exchanges and other factors following the aftermath of the war, other unnatural factors are at work against the industrial progress of India. If the deliberations of the Tariff Board cannot be carried on in a manner that will make protection available to such industries at the earliest possible opportunity, the Government of India can easily realise the disappointment of the Indian public.

I am directed to repeat that the suggestions made above are made in the spirit of putting before the Government the general view prevailing in the Indian commercial circles, with a view to avoid criticism to which the Government of India would be liable, unless the pace and method of the Tariff Board are considerably improved.

No. 273-T, dated 10th May 1924.

From Government of India, Commerce Department to Chamber.

I am to acknowledge the receipt of your letter No. T. 394, dated the 10th April, 1924, and to say that the Government of India note that your Committee, while admitting the necessity for exhaustive enquiries by the Tariff Board, complain of the system under which the Board have been asked to work by the Government. You

cite, as samples of celerity, the practice in other countries, notably that of the United Kingdom. The only instructions given to the Tariff Board are contained in Resolution No. 3748 dated July the 10th, 1923. These leave the fullest freedom and discretion to the Board to conduct their enquiries in such manner as they deem best in any particular case. They have not been hampered by being asked to conform to any rigid system, and the Government of India are not prepared so to hamper them.

2. I am to point out that the Tariff Board did not occupy nearly a year in enquiring into one industry. Their enquiries covered not only the industry of rolled steel, itself a matter requiring careful consideration but also eight other industries dependent on the use of steel, viz., the engineering industry, wagon building, the manufacture of tinplate, wire and wire nails, agricultural implements, locomotives, enamelled ware and steel castings. In addition, they enquired into and reported upon the effect of the import duty on sulphur.

3. Your Committee comment on the time spent by the Board in travelling. They have apparently overlooked the fact that the Board only made five journeys which occupied more than a single night, two of which were necessitated by a visit to Bombay. The only places visited by the Board were Jamshedpur, Calcutta, Bombay, Delhi and Asansol. It cannot be urged that visits to any of these places were unnecessary.

4. Your Committee quote with approval the work of the Tariff Board in the United Kingdom. It is not clear what body your Committee had in mind when speaking of "the Tariff Board" of the United Kingdom. The Government of India are naturally not aware of the instructions or of the conditions under which the Committee appointed by Mr. Baldwin in the closing months of 1923 worked, and still less are they aware of its conclusions. There can, however, be no analogy between that Committee and a Tariff Board in India as envisaged by the Fiscal Commission. In most countries revisions of the tariff for protective purposes have usually been very protracted undertakings.

5. The Government share with your Committee the desire that enquiries into these important questions should be both expeditious and exhaustive. They however wish to emphasise that the enquiry is in fact twofold. The responsibility of the Tariff Board does not end with deciding whether or not an industry has made out a reasonable case for protection from its own point of view. It has also a responsibility to the consumer, which in your letter is overlooked, viz., to consider and determine the effect on other industries and on the consumer in general of any recommendations in favour of protection. The Government are of opinion that the aims in view can best be realised by leaving the Tariff Board the completest freedom of action.

(c) *Proposed protection of industries relating to cement, paper, printers' ink, boots and shoes and magnesium chloride.*

No. 2980-G. 1st May 1924.

From Government of Bombay Revenue Department, to Chamber,

Subject :—Tariff Board.

I am directed by the Governor in Council to forward for the information of your Chamber the accompanying Government Resolution No. 2980 dated 1st May 1924 on the above subject.

Resolution.

Indian Fiscal Commission.

Appointment of a Tariff Board.

Proposed protection of industries relating to Cement, Paper and Printers' Ink, Boots and Shoes and Magnesium Chloride.

Government of Bombay, Revenue Department, Resolution No. 2980, Bombay Castle, 1st May 1924.

Resolution of the Government of India, Department of Commerce, No. 38-T, dated 10th April 1924 :—

"In pursuance of paragraph 3 of the Resolution of the Government of India, Department of Commerce, No. 3748 dated 10th July

1923 (Tariffs), the Government of India have decided to refer to the Tariff Board for examination applications for protection received from the following industries, viz.. Cement, Paper and Printers' Ink, Boots and Shoes and Magnesium Chloride.

"2. In making its enquiry, the Tariff Board will be guided by the principles laid down in the resolution adopted by the Legislative Assembly on February 16th, 1923, and in particular will consider how its recommendations, if it makes any, will affect industries using these articles. The Tariff Board will conduct its enquiry into these applications in any order it deems most convenient.

"3. Firms or persons interested in any of these industries or in industries dependent on the use of these articles who desire that their views should be considered by the Tariff Board, should address their representations to the Secretary to the Board, Simla.

Order.—Ordered that a copy of the above Resolution be communicated to all Local Governments and Administrations, all Departments of the Government of India, the Director General of Commercial Intelligence, the Indian Trade Commissioner in London and to the Secretary of the Indian Tariff Board.

Ordered also that it be published in the 'Gazette of India'."

Resolution.—Copies of the resolution of the Government of India should be forwarded to all the Department of the Secretariat (except the Separate and Legal Departments) for information in continuation of Government Resolution No. 2980 dated 30th July 1923.

2. Copies of the Resolution should also be forwarded for the information of the Chambers of Commerce, Bombay and Karachi, the Indian Merchants' Chamber, the Bombay Presidency Trades Association and the Millowners' Associations, Bombay and Ahmedabad.

(d) Committee's views on the Report of the Tariff Board regarding the grant of protection to Steel Industry.

No. T.-577, dated 17th May 1924.

From Chamber to the Government of India, Department of Commerce.

The Committee of this Chamber have gone carefully through the Report of the Tariff Board regarding the grant of protection to the Steel Industry. I am directed to express their approval of the same and to send hereby their views regarding the recommendations made therein as also supplementary suggestions of my Committee.

2. My Committee are glad to note that the Tariff Board has shown that the Steel Industry fulfils all the requirements laid down by the Fiscal Commission :—

(*a*) India possesses great natural advantages for the production of Steel and iron. She possesses enough of the raw materials, iron ore, coal and limestone (or dolomite).

(*b*) Without the help of protection the Steel Industry is not likely to develop at all.

(*c*) The Steel Industry is one which will eventually be able to face world competition without protection.

(*d*) The Steel Industry comes under the following definition laid down by the Fiscal Commission :—"Any industry which is essential for national defence and for which the conditions in India are not unfavourable, should, if necessary, be adequately protected irrespective of the general conditions which we have laid down for the protection of industries."

All this was recognised on all hands but wanted to be exphasised by such a responsible body as the Tariff Board to remove doubt of those who still believed that the industry did not require protection,

Nothing can be more convincing than the final sentence of Chapter II :—" If in accordance with the principles laid down by the Fiscal Commission, the protection of steel is not held to be justified, we are at a loss to imagine what industry could possibly comply with them. It is impossible to conceive a stronger case."

3. The Tariff Board after having thus demonstrated that the steel industry fulfils all the requirements laid down by the Fiscal Commission lays a natural stress on the objective to be kept in view in adopting a protectionist policy. It is the preservation of the industry as it exists at present and with the promise of future developments already held out. My Committee attach great importance to this expression in view of what follows later on in the Report. It is to be feared that the Board in making their detailed recommendations have not kept this high objective in view, as if they had done so, they would not have imposed unnecessary limitations upon themselves and fought shy of drawing the only possible conclusions from the premises laid down by them.

4. The Tariff Board has also emphasised that the end in view is to secure to domestic manufacturers a reasonable price irrespective of the foreign price and that the causes which enable the foreign manufacturer to sell his steel at lower prices are really irrelevant. This is a reasonable attitude to adopt and my Committee believe Indian manufacturers of steel do not want anything more than the acceptance of this principle. Unless a reasonable price is secured to indigenous manufactures the industry will never be able to stand and in fixing this reasonable price no extraneous considerations should be allowed any importance. It is a clean, straight and logical position and my Committee congratulate the Board on having accepted this principle, though it is regretted that this principle is not fully applied when making their recommendations. My Committee trust that executive action will not be delayed in the matter and that immediate action will be taken whenever there is a fluctuation of 5 p. c. at the most from the basic price.

5. The production of steel in this country is extremely small, almost insignificant when compared with that of the rest of the world.

In fact it comes to even less than one percent. It means that manufacturers of the world can, if they want to do so, dump their wares upon this country at extremely cheap rates, killing the local steel industry. Safeguards are necessary for this purpose. The Tariff Board though it has not suggested these in detail has yet hinted at them when it is observed in para 36 of the Report "If the Governor General in Council is satisfied, after such inquiry as he considers necessary, that steel is entering India from abroad at such prices as are likely to render the protection given by this Act ineffective, he may impose such additional duties as in his judgment are required." My Committee are strongly of opinion that this purpose can be achieved by investing the Tariff Board or any other special Board with powers to examine the prices at which steel products are imported in the country and to make suggestions regarding a proportionate increase in duty if it is found that prices are less than say Rs. 180 or whatever other figure which may be taken as the basic price of imports. The Tariff Board has fixed Rs. 180 as the basic selling price for the Tata Steel products. Care has to be taken to see that the ratio between the imported price and this price remains almost the same, so that with such duties and bounties as may be fixed there may be no underselling the local products during the period of protection. This can be achieved if the suggestion of my Committee is accepted.

6. My Committee consider that all such protective measures as increase in Tariff duty, bounties, etc, will not be fully operative unless Government adopt the principle of practical protection by purchasing for all their requirements only Indian manufactures, the production of which at present, my Committee are informed, is in excess of Government requirements. The price at which such purchases may be made may be fixed by the Tariff Board. It must have been made evident to Government by now that the Indian nation as a whole requires protection for the steel industry. The first and most natural *sine qua non* of such a protection is purchases by the Government of all their requirements from the indigenous sources. This will be in accordance with Rule No. 1 of the New Rules for the supply of articles for the public service, *viz.* "All articles which

are produced in India in the form of raw material, or are manufactured in India from materials produced in India should, in preference to articles not manufactured in India or wholly or partly manufactured in India from imported materials, be purchased locally, provided that the quality is sufficiently good for the purpose and the price reasonable."

7. My Committee note with regret that the Board has in face of the principles accepted by it suggested that its recommendations should remain in force only for a period of three years. My Committee cannot understand how such a suggestion has come to be made which is entirely inconsistent with a very important expression of views in para 32. "The capitalist must look for an assurance that protection will be continued to the extent necessary for the full period which must elapse before anticipations can be tested by results. From the date when a new firm decided to establish steel works, five years would probably elapse before steel was actually manufactured, and another five years before the success or failure of the venture could fairly be estimated". The period is therefore a very small period and my Committee recommend that the policy of protection should be accepted by the Government until the country is able to produce at least a substantial portion of its requirements of that article and that there should be no change or revision in this. Though the policy itself cannot be changed, there should be an examination every three years into the working of the policy with a view to revise the details if necessary. Such a procedure only will give that reasonable assurance to industrial firms required to make them launch on such a highly difficult and complicated enterprise.

8. My Committee have seen only a summary of the Tariff Bill. If they have any representation to make on the Bill itself they will do so after going through its provisions.

APPENDIX 52.

INDIAN TAXATION ENQUIRY COMMITTEE.

No. T-755, dated 4th July 1924.

From Chamber to the Government of India, Finance Department.

I am directed by the Committee of this Chamber to convey to the Government of India their sense of disappointment and dissatisfaction at the personnel, scope and terms of reference of the Taxation Committee. The following appear to be the events leading to the appointment of this Committee. In July 1923 the Honourable Sir Manekjee Dadabhoy moved a resolution in the Council of State asking that "an enquiry be made into the whole system of taxation in India with a view to its thorough revision on an *economic, equitable and scientific basis* with special regard to the *taxable capacity of* the people," but on discussion it was resolved that further consideration of that resolution be postponed till the replies to the inquiries stated to have been made of Local Governments had been received. On 4th February 1924 the Honourable Mr. Phiroze C. Sethna moved a resolution in the Council of State to the effect that "a Committee consisting of a majority of non-official Indians be appointed to make a full and detailed survey of the economic conditions of the people of India with special reference to the condition of agricultural population, with a view to finding out the average annual income per head of the population, particularly of the agricultural population, and to inquire into and report on the measures that should be adopted to reduce, as far as possible, the existing destitution and poverty in the country and to raise the average economic level of the masses of the people." In order that Government may accept the resolution, it was modified in the course of discussion and in the final form it asks that "the Local Governments may be consulted with regard to the desirability of undertaking an enquiry in economic

conditions of British India and whether they are prepared to support the proposal to appoint a Committee and to co-operate in its labours if appointed." In both these resolutions in their original and modified forms the most salient features emphasised by the movers of the resolutions and accepted by the Government appear to have been: (1) a thorough enquiry into the economic condition of the people of India, (2) consultation and co-operation with Local Governments, (3) readjustment of the burden of taxation, and (4) an equitable and scientific basis of taxation. It is clear from this genesis that the first and most essential enquiry is one into the condition of the people, so as to ascertain the economic ability to bear the burdens of taxation on account both of the Central and of the Provincial Governments. An enquiry into the readjustment or distribution of incidence of taxation must, to be equitable, follow, and not precede, an enquiry into the economic condition of the people; and in view of this my Committee are unpleasantly surprised to note that the Government of India should think it fit to declare that the present limited enquiry is likely "to provide material of much value for any enquiry which may be subsequently made into the wider aspect of the Indian economic position." My Committee are emphatically of opinion not only that such an enquiry as now contemplated and instituted by the Government cannot be successful without a previous exhaustive enquiry into the taxable capacity of the people as ascertained by reference to their annual income; but that the country has never asked for any enquiry into a mere consideration of the tax system with the mutual relations and readjustment of its various parts.

The statement that "the question of instituting a scientific enquiry into the *system of Indian taxation* has recently attracted considerable attention in the country" is, according to my Committee's information, hardly correct, inasmuch as the enquiry demanded by the Council of State was an enquiry into the much larger question of the economic ability of the people and not merely into the system of taxation. Moreover, while noting the Government assurance that "the motive for the appointment of the Committee is not any need for additional expenditure or any intention to increase the total amount so raised by taxation in India", my Committee cannot

but express their grave apprehension, justified by repeated and bitter past experience on such matters, that the ultimate consequence of such enquiries will result in new burdens. They feel therefore that the Government of India, in their resolution of the 26th May 1924, No. 1412-F, have unnecessarily misinterpreted the nature and scope of the present enquiry. They cannot understand why the replies of the Provincial Governments to inquiries instituted by the Government as said in the Council of State have not been published. It is stated in the Government resolution above referred to that "the terms of reference have been formally accepted by all the Provincial Governments without prejudice to their claims in regard to the distribution of the total revenues." It is not clear as to what is the significance of *formal* acceptances of the terms of reference by the Provincial Governments. These acceptances must be published in order to give the public an idea of conditions on which Provincial Governments may have given their approval as also of their reservations, if any.

My Committee do not think it necessary at this stage to offer any further comments upon the other terms of reference. Notwithstanding that any criticism of the personnel of the Committee might be deemed invidious and ungracious, my Committee feel it their duty to say that the personnel as notified is neither representative of the important interests which should have been represented nor such as to inspire confidence and conviction among the people in their findings. They are therefore constrained to observe that the Taxation Committee as now constituted will not command the confidence of the country and its labours therefore, in the opinion of my Committee, are likely to result in no tangible benefit to the Indian people.

In conclusion, my Committee have the honour to represent that an economic enquiry should have been included in the terms of reference of the Taxation Committee and that without it these terms as published are not satisfactory, and that the personnel of the Committee is not likely to inspire confidence.

No. 2407-D., dated 26th November 1924.

From the Government of Bombay, Finance Department, to Chamber.

Subject :—Taxation, Indian, inquiry in.

I am directed by the Governor in Council to forward a copy of the letter No. 76-T, dated 10th November 1924 of the Indian Taxation Enquiry Committee and to request that a reply may be sent direct to the Committee. A copy of the reply may also please be sent to this Department for the information of this Government.

No. 76-T. dated 10th November 1924.

Copy of the letter of the Indian Taxation Inquiry Committee

I am directed to seek your assistance in the matter of the enquiry entrusted to the Indian Taxation Enquiry Committee.

2. For your reference, a copy of the orders appointing the Committee is enclosed. The enquiry is very comprehensive, and it will perhaps facilitate matters if I explain in the first instance the manner in which the Committee propose to set about it. The first step is obviously to collect the material which is already in existence. During the past six months a great body of statistical and other material regarding the taxation system of India has been collected from official sources in India and its compilation is now in progress. While this was being collected, the President and Secretary took advantage of their leave in Europe to examine the taxation system of other countries at the Secretariat of the League of Nations and in the official records in London and elsewhere. They were also able to study the recent developments of modern thought on financial and taxation questions and to collect the more recent literature on the subject.

3. It remains to collect the materials which are already in existence in non-official sources in India. Such materials consist of

statistics which have been prepared for the purpose of illustrating matters relevant to the enquiry, criticisms which have been made of the existing taxation systems and suggestions for their amendment. To obtain access to materials of this type is the principal object of the present reference and I am to say that, if you have material of this nature available, the Committee would be glad to receive copies of it.

4. Having thus collected the materials at present in existence, the Committee propose to undertake a preliminary examination and analysis of them, and they hope that in a few weeks they will be in a position to issue a detailed questionnaire as a result. On the basis of the questionnaire, the Committee will conduct the examination of witnesses as well as the collection of further material.

5. I am now to ask your assistance in dealing with the stage indicated in paragraph 3 of this letter. I am to emphasize that what the Committee are seeking now is not new material prepared specially for their enquiry, but matter which is already easily available. It will perhaps be useful to indicate the kind of subjects in regard to which they would be glad to be referred to useful discussions which have already taken place. Such are, for instance, historical notes on Indian taxation system, comparisons with systems in other parts of the world, discussions of the propriety of particular taxes, suggestions as to the means of ascertaining the average income of classes of the people or the incidence of taxation upon them, and the application of the same, discussions of the machinery employed in the collection of taxes. Discussion of this nature may be embodied in private memoranda, the publications of learned societies or in lectures or publications by professors of economics. What the Committee are anxious for is to secure the fullest access to all such sources of information.

6. At the same time they propose to invite some of the authors of such publications to meet them at Delhi at this stage, not for the purpose of giving formal evidence, but with the object of discussion of those aspects of the problem in which they are specially interested,

7. I am to ask that, if you are able to furnish me with any materials on these lines, or are prepared for a discussion with the Committee on any such points as I have indicated, you will be good enough to communicate with me at the above address indicating the subject or subjects which you propose for discussion, the materials to which you suggest a reference and a date or dates between the 15th November and the end of the year on which it would be convenient for you to meet the Committee.

On hearing from you I will advise you whether the Committee desires the proposed discussion and if so, will suggest a date and hour. I will communicate with you at the same time on the subject of travelling expenses.

No. T-1445, dated 5th December 1924.

From Chamber to the Indian Taxation Enquiry Committee.

With reference to your letter No. 76-T, dated the 10th November 1924, a copy of which has been received by my Committee from the Government of Bombay, Finance Department, with a request to send a reply to you direct, I am directed to inform you that my Committee have not at their disposal such materials as required by Government and referred to in paragraph 3 of your letter.

APPENDIX 53.

REPORT OF THE COMMITTEE ON WEIGHTS AND MEASURES.

No. 1612-G., dated 2nd July 1924.

From Government of Bombay, General Department, to Chamber.

I am directed to forward for the information of your Association a copy of the report* of the Committee on weights and measures. The Government of Bombay will be glad if they are favoured with any remarks or suggestions your Association may desire to offer in connection with the recommendations of the Committee by the 31st October 1924 at the latest.

No. 3032-231, dated 30th December 1924.

From Bombay Chamber of Commerce to Chamber.

In continuation of previous correspondence, resting with my letter, No. 2906/231, dated 11th December 1924, I am directed to forward herewith a copy of the letter addressed to the Bombay Government on the subject of the proposed standardisation of weights and measures in the Bombay Presidency.

A copy has also been forwarded to the Municipal Commissioner, Bombay, with the request that it may receive the favourable consideration of the Corporation at an early date.

* Not printed here. Vide file No. R/65 of 1924.

No. 3023/231, dated 29th December 1924.

From Bombay Chamber of Commerce to the Government of Bombay, General Department.

Report of the Committee on Weights and Measures.

I am directed to refer to my letter, No. 2351/231, dated 3rd October 1924, in which it was stated that the Committee of the Chamber were in consultation with the various trade interests concerned on the subject of the abovementioned report and that while the reference would be disposed of as expeditiously as possible, it might not be possible to forward their considered opinion on the many important issues raised therein before the beginning of December next.

2. The question has now been carefully considered at a meeting of representatives of the following bodies, which may justly claim to represent the most important trading interests in the Bombay Presidency, namely :—

The East India Cotton Association, Ltd.,

The Millowners' Association.

The Indian Merchants' Chamber,

The Bombay Chamber of Commerce.

The Grain Merchants' Association.

The Indian Central Cotton Committee, an all-India body constituted in connection with the growing of cotton in India, were also represented at the meeting.

3. I am now empowered by the bodies in question, with the exception of the Grain Merchants' Association, which is not in favour of standardization of weights and measures and has already addressed you direct on the subject, to forward hereunder their views

on the Committee's recommendations in so far as the interests which they represent are affected thereby.

4. In the first place I am to state that the recommendations that follow, if accepted by Government, will inevitably involve the modification of the general statement of policy contained in Government Resolution, No. 1612, dated 31st January 1922, and to say that it is realized that they might more appropriately have been made at that time. As however this is the first occasion on which the interests concerned have been afforded an opportunity of expressing their views on the subject since they gave evidence before the Committee which reported in 1914, the copy of the resolution attached to your letter, No. 1612-G., dated 8th March 1922, having been forwarded merely for information and guidance, they hope that Government will not allow the above fact to influence them in determining what action is called for in the light of the considerations set forth in the following paragraphs.

5. In the resolution above cited the Bombay Government announced their intention, in consonance with the policy of the Government of India of indicating a preference for the ultimate adoption in India, excluding Burma, of a uniform system of weights based on the railway system, of eventually legalising in the Bombay Presidency the following standard weights :—

The Bombay Tola of 180 grains.

" " Seer of 80 Bombay tolas.

" " Maund of 40 Bombay seers.

" " Map of 3 Bombay Maunds, and

the sub-multiples $\frac{1}{2}$, $\frac{1}{4}$ and $\frac{1}{8}$ and multiples 2, 4 & 8 of the above weights.

The terms of reference to the Committee whose report forms the subject of the present letter were generally, to suggest the administrative and other measures necessary to give effect to the

above decision and although the Committee have in certain cases amplified the list of standard, or, as they prefer to call them "authorised" weights and measures they have made no alteration in the list of weights set forth above.

6. I am at this stage to explain that for the purposes of the present reference it is intended to confine the recommendations of the bodies cited in paragraph 2, to the question of weights, as being the articles with which they are more immediately concerned, and to state that they hope that Government will in any case defer action in the direction of linking up the new standard seer which they recommend with the dry and liquid measures until, after re-examination of the position, when they may decide whether they still consider such a course to be desirable. For the sake of clearness I am to add in this connection that it is proposed to use the term "standard" in the sense in which it appears in the Government Resolution although for obvious reasons it is preferable to substitute the term "authorised" as defined in paragraph 4 of the Committee's report.

7. After due consideration of the previous history of this question it was the unanimous opinion of the meeting to which I have referred above that while it would not be practicable to try to standardize a maund of 40 seers, a standard seer of 7000 grains, or the equivalent of the English pound avoirdupois, could conveniently be adopted, the use of the maund being allowed to continue subject to the proviso that all maunds should be multiples of the standard seer. It was pointed out during the discussion that the English pound avoirdupois was already the most important weight used in the cotton and other important trades, and in the mill industry, in this Presidency, and that the interests of all these trades required that the new standard weight adopted should be identical with the pound avoirdupois, because the latter was generally understood both in Bombay and in the up-country markets where the various candies and maunds always bore some definite relation to it. The representatives present at the meeting, with the exception of those from the Grain Mer-

chants' Association, were therefore agreed that the standard unit of weight to be adopted for this Presidency should be identical with the pound avoirdupois, and that it should be enacted that all larger weights should be multiples of the new standard seer, whatever their size and whatever the name that might be given to them in each district.

8. The meeting did not anticipate that any difficulty would be experienced in regard to these larger weights, so long as they were multiples of the standard seer, and emphasized the facts that such larger weights need not necessarily be the same or be called by the same name, in all districts. The meeting did not see any necessity of making the standard seer an even multiple of the tola as it was of the opinion that there would be a sufficient link between the two-the tola and the seer-through the grain, the tola being 180 grains and the proposed new seer 7000 grains. At the same time the representatives present considered that if a standard seer, identical with the pound avoirdupois, could be introduced and established, a long step would have been taken in the direction of the ultimate unification of weights and measures in this Presidency.

9. The question of the best means of giving effect to their recommendations, which were intended as a preliminary step towards the ultimate adoption, in course of time, of the same value for all weights of the same name, was also considered by the meeting and it was generally agreed that compulsory legislation would ultimately be required but that the provisions of the Act should only be applied to a particular district in consultation with the representative trading and other local bodies. So far as the City of Bombay is concerned it is understood that under sections 418–420 of the City of Bombay Municipal Act, 1888, as amended by Bombay Act IV of 1921, the Municipal Commissioner is authorised to provide, with approval of the Corporation, such local standards of weights and measures as he deems requisite for the verification of weights and measures in the City of Bombay and to enforce the use of such weights and measures. According to the Corporation's resolution, No. 5552, dated 25th September 1922, it appears however that al-

though it is proposed to provide for the above purpose the standards of weights cited in paragraph 5 of this letter, the Corporation has not yet signified its final approval of the standards in question, as required by section 480 (4) of the Act, and it is the earnest desire of the bodies represented at the meeting that the Corporation may be moved to defer its assent until such time as the recommendations set forth in this letter shall have received the careful consideration of Government and a final decision arrived at on the main question. The Associations concerned also desire me to request that thereafter the same principles shall be applied to the enforcement of the prescribed standards in the City of Bombay as they have recommended for adoption in the case of the other parts of the Presidency. A copy of this letter has been forwarded to the Municipal Commissioner for his information in this connection.

APPENDIX 54.

REPORT OF THE INDIAN MERCANTILE MARINE COMMITTEE.

No. T-1472, dated 11th December 1924.

From Chamber to Government of India, Department of Commerce.

The Committee of the Chamber have read with much interest the report of the Indian Mercantile Marine Committee published recently. Believing as they do that a national mercantile marine is the prime necessity for a country which hopes to develop its trade, both internal and foreign, and industries, my Committee cannot but welcome the various recommendations made by the Indian Mercantile Marine Committee the effects of which, if put into practice, will be to revive the Indian shipping and ship-building for which this country was once so famous. While welcoming the report as a whole, my Com-

mittee would like to express their views regarding some of the omissions as also some of the recommendations.

"There are two very serious omissions in this report *viz.* lack of any reference to the internal river navigation or foreign ocean trade. In this connection my Committee beg to bring to the attention of the Government the fact that even the Acworth Committee referred in their report to the unfair competition with water-ways and recommended that it was eminently a matter to which the Communications Department should direct its attention. Nothing has been done, however, in this direction up to this time and it was regrettable that even the Mercantile Marine Committee were precluded from considering this question of the internal river navigation and inland water-ways on the plea that they were outside the scope of their terms of reference. The Marine Committee say in paragraph 49 of their report that some witnesses both at Calcutta and Rangoon sought to bring to their notice certain serious difficulties alleged to be felt by Indian Companies in the matter of internal river traffic and trade connected with it but that they could not deal with these questions as they were outside the scope of their terms of reference. The internal river traffic of this country is as vital a part of its trade and industries as the coasting trade and there does not appear to be any reason why the Government should not have included it in the terms of reference or the Committee should not have submitted detailed recommendations with regard to the same. It may be added by way of example that the inland navigation in countries which have reserved coastal traffic to national vessels, is also reserved. The traffic along the Great Lakes in America is confined to American ships only as is the case with their coastal traffic usually so-called. Similarly foreign ocean trade is a vital factor in the shipping and trade of a country and my Committee have grave reasons to doubt if all the carefully prepared recommendations with reference to the coasting trade will go a good way in building up the shipping of this country unless a substantial measure of protection is given to indigenous shipping employed in foreign ocean trade. It is the experience of shipping concerns that foreign ocean trade is an important and indispensable supplement in slack seasons to the coasting trade

and if it is seriously intended to revive both Indian shipping and ship-building this great factor cannot be left out of consideration.

My Committee welcome the decision of the Indian Mercantile Marine Committee to provide training facility at Indian ports. While appreciating the provision of a training ship, my Committee cannot help saying that Government will have to remain prepared for providing another training ship at Calcutta in case arrangements intended for Bombay do not prove adequate.

With regard to training in Marine Engineering, my Committee hope that Government will accept the recommendations of the Mercantile Marine Committee in the matter of the provision of necessary facilities at the Engineering Colleges in this country. While recognising the immense importance and value of nautical training and education, my Committee cannot lose sight of the fact that the fundamental problem which is economic is the loss to the country due to the practically entire absence of a mercantile marine to serve the needs of the trade, both coasting and foreign. Such a problem cannot be solved by providing a few posts for Indian Engineers or Executive Officers, but only by finding out means by which the carrying trade of the country comes in the hands of Indians.

After all even if all the Officers and Engineers on all the ships serving the coastal requirements of India were non-Indians, the amount paid to them as wages would not exceed Rs. 60 lakhs a year on the basis of 10 Officers on each one of the hundred steamers receiving an average of Rs. 500 a month.

In this connection my Committee would like to make clear their position which represents the general opinion in this country on the subject. An Indian Mercantile Marine means not merely Indian Captains and Indian Chief Engineers but also Indian ownership and management of the vessels that serve the trade of the country. Indian ownership will lead to the profits of the business remaining in the country. Indian management will mean not merely a more harmonious development of the ports of the country but also provi-

sion of proper facilities for the development of Indian industries and commerce.

It is because of all this that my Committee are glad to note that the Mercantile Marine Committee are of opinion that something more is required for the development of Indian Mercantile Marine than the mere provision of training facilities. The reservation of coasting trade of the country is admittedly rightly recommended by the Marine Committee and my Committee welcome the conditions laid down for the granting of licenses to ply along the coastal trade which will bring about a complete Indianisation of the coasting Merchant Marine in 25 years. To achieve this, however, successfully, my Committee are of opinion that the other suggestions of the Marine Committee regarding the purchase of a line of steamships by the Government should be immediately put into effect after the necessary legislation though with this difference that my Committee would like the Government to purchase not one whole line of steamships but 25 ships from the existing lines of steamships plying on the coastal trade and of an age not exceeding 10 years. It must be clearly understood, however, as mentioned by the Mercantile Marine Committee in their report that when particular ships are purchased from any of the existing lines, the old management should be retained until such time as there are sufficient Indians available with the necessary experience to undertake complete management. My Committee are confident that with proper concessions there will be forthcoming suitable Indian syndicates to take over the management or even to purchase these ships from the Government. What my Committee want the Government to do is to purchase steamers and hand them over for management or sell them to Indian syndicates. They do not think it desirable that Government should themselves manage any such line of steamers. Looking to the present number of steamships plying on the coast, and their age, my Committee have prepared the enclosed table which will show how many ships will have to be put out of action at the end of every 5 years. (Appendix A.)

This will show how the purchase of 25 ships by the Government

from the present lines will greatly help that policy of Indianising the Merchant Marine on the coast which the Marine Committee had and the Government must have so much at heart.

There is a danger that advantage my unfairly be taken of the recommendation that ships which were plying on the coast within one year previous to the passing of any legislation on this score will be exempted from restrictions proposed by the Marine Committee. To avert this danger, my Committee recommend that it should be laid down under the Statute that no ships which were not plying on the coast within three years previously to the date of this report by the Marine Committee should be considered exempted from the restrictions proposed. This recommendation will prevent any unfair and undue advantage being taken by any foreign Companies to launch a large number of ships on the Coasting trade to the detriment of and in competition with Indian ships.

Another danger lurks in the recommendation that the licensing authorities should deal with the question of rate wars and deferred rebates. Apart from the difficulty of handling the questions mentioned in the way suggested, my Committee are of opinion that the main aim of the Marine Committee would be frustrated if discrimination is vested in a single officer, however eminent he may be. My Committee, therefore, recommend that the licensing authority should consist of a Board of two members elected by the Legislative Assembly and even then the function of the Board should be merely executive.

My Committee in conclusion have to note painfully and with deep regret that though both the Lee Commission Report and the Report of the Mercantile Marine Committee were published almost at the same time, and the former has passed through all the stages and "His Majesty's Government, in general agreement with the Government of India, have accepted the substance of the recommendations contained in Chapters 6, 7 and 8 of the report of the Royal Commission on Public Services, for the improvement of pay and pensions and the grant of free passage to the Superior Civil Services," and these recommendations have been accepted

with retrospective effect from 1st April 1924, the Government of India have not, so far as my Committee are aware, yet submitted even their despatch to the Secretary of State for India on the Report of the Mercantile Marine Committee. No comment is necessary on this but my Committee cannot help saying that the Government of India atleast should have considered the interests of the country as a whole as paramount as, if not more so than the interests of particular services.

APPENDIX A.

List of cargo steamers of the British India Steam Navigation Co, Ltd, running on the Coast of India.

	Name of Steamer.	When Built	Gross Tonnage
s. s.	Obera	1895	5462
,,	Onda	1895	5247
,,	Orissa	1897	5436
,,	Ula	1898	5310
,,	Umta	1898	5422
,,	Upada	1899	6257
,,	Urlana	1899	5253
,,	Sangola	1901	5184
,,	Santhia	1901	5192
,,	Sofala	1902	5381
,,	Canara	1905	6012
,,	Cuerimba	1905	7696
,,	Chanda	1906	6208
,,	Chupra	1906	6175
,,	Colaba	1906	6019
,,	Chinkoa	1913	5222

	Name of Steamer.	When Built	Gross Tonnage
s. s.	Orna	1913	4783
,,	Ozada	1913	4791
,,	Ormara	1914	4742
,,	Hatkola	1917	5875
,,	Warowala	1917	2231
,,	Warfield	1917	6060
,,	Gambada	1918	5307
,,	Warialde	1918	3155
,,	Warina	1918	3120
,,	Warla	1918	2264
,,	Waroonga	1918	2340
,,	Warora	1918	2334
,,	Binfield	1919	5181
,,	Grenfield	1919	5332
,,	Gazana	1919	5284
,,	Gairsoppa	1919	5237
,,	Gambhira	1919	5257
,,	Gandara	1919	5281
,,	Garada	1919	5333
,,	Gharinda	1919	5306
,,	Goalpara	1919	5314
,,	Gogra	1919	5181
,,	Golconda	1919	5316
,,	Gorala	1919	5221
,,	Gurna	1919	5248
,,	Haresfield	1919	5299
,,	Homefield	1919	5324
,,	Winkfield	1919	5279

	Name of steamer.	When Built	Gross tonnage.
s. s.	Garbeta	1920	5327
,,	Gamatia	1920	5255
,,	Garmula	1920	5254
,,	Sirai	1920	5445
,,	Sureda	1920	5427
,,	Nirpura	1921	5961
,,	Nagina	1921	6551

List of the passenger steamers of the British India Steam Navigation Co., Ltd., running on the Coast of India.

	Name of steamer.	When Built.	Gross tonnage.
s. s.	Lady Blake	1908	1097
,,	Cocanada	1910	3958
,,	Angora	1911	4298
,,	Arankola	1911	4129
,,	Eloma	1911	5108
,,	Egra	1911	5108
,,	Edevane	1911	5284
,,	Ellenga	1911	5196
,,	Ellora	1911	5201
,,	Aronda	1912	4062
,,	Chakdara	1914	3035
,,	Chakdina	1914	3033
,,	Chakla	1914	3011
,,	Sir Henry Adamson	1914	1030
,,	Vita	1914	4691
,,	Varala	1914	4645

	Name of steamer.	When Built.	Gross tonnage.
s. s.	Vasna	1917	4790
,,	Chantala	1920	3129
,,	Chilka	1922	4360

List of steamers of the Asiatic Steam Navigation Co., Ltd., running on the Coast of India.

	Name of steamer	When Built	Gross tonnage.
s. s.	Ranee	1899	5600
,,	Rajah	1899	5662
,,	Rajput	1900	5628
,,	Shahzada	1904	2246
,,	Maharaja	1904	2264
,,	Shahjehan	1905	2261
,,	Bahadur	1907	4646
,,	Havildar	1911	4911
,,	Risaldar	1912	4919
,,	Sikh	1914	5150
,,	Nizam	1914	5322
,,	Dogra	1914	5138
,,	Nawab	1915	5430
,,	Pasha	1919	5307
,,	Pundit	1919	5305
,,	Begum	1922	5843
,,	Kohinur	1922	5168
,,	Nurjehan	1923	5450

APPENDIX 55.

THE INDIAN COAL COMMITTEE.

No. 70, dated the 29th October, 1924.

From Secretary, Indian Coal Committee to Chamber.

I have the honour to forward herewith five copies of the Questionnaire to be issued by the Indian Coal Committee with the request that you will cause it to be answered and return to me at your convenience. The President and selected Members will be visiting Bombay on a date which has not yet been fixed and I am to express the hope that your Chamber will be willing to select two or three of your Members to appear and give evidence before them. The date of the President's visit to Bombay will be intimated to you later.

2. The Committee will be glad to be advised on any point on which the Chamber would like to express an opinion.

INDIAN COAL COMMITTEE.

Questionnaire.

Special attention is invited to the following extract from the Resolution of the Government of India, Department of Commerce, No. 47-T.(5), dated the 20th September 1924, appointing the Committee.

"It is evident that the competition from which the Indian coal industry is now suffering is not so much in the Indian market as in overseas markets, such as Colombo and Singapore. It is also

evident that overseas markets cannot be recovered by the protection of the Indian market. They can only be recovered by improving and grading the quality of coal for export, and by reducing the cost of production and transport. At the same time, it is possible that the measures which are necessary to recover the overseas market, may be sufficient, without further protection, to enable Indian coal to meet competition in the home market.

The grading and transport of coal are highly technical subjects, with which the Tariff Board is not fully equipped to deal. The Government of India have, therefore, decided to appoint an expert Committee, representative of the interests concerned, to consider *this side of the question*, with the following terms of reference :—

To enquire and report—

(1) generally what measures can be taken by Government, by the coal trade, by the railway and by the ports, whether singly or in combination, to stimulate the export of suitable coal from Calcutta to Indian and foreign ports ; and

(2) in particular, whether effective measures can be taken for the pooling and grading of Indian coal for export and for bunkering, and how the cost of such measures should be met."

Any part of the replies to the questionnaire which it is desired should be treated as confidential should be distinctly marked to that effect.

It is requested that replies may be sent as early as possible to—

H. P. V. TOWNEND, Esq., I.C.S.,

Secretary, Indian Coal Committee,

Room 75, 1, Council House Street,

Calcutta.

Questionnaire.

A. Possibility of economies on the coal fields.

1. Do you consider that there is any scope for reduction in the cost of coal at the pit head? If so, how, in your opinion, could such reduction be brought about?

2. Please state the extent to which, in your opinion, recent increases in wages have affected the cost of production.

3. To what extent, if any, do you consider that the cost of production has been or will be affected by recent or proposed legislation?

4. Have you made any calculation what the saving in stacking charges per ton would be if coal were despatched as raised instead of first going into stock?

5. What is your estimate of the wastage that results from its being stacked?

B. Possibility af economies in transport to Calcutta.

6. (*a*) Have you any suggestions to make in regard to the improvement of the system under which wagons are distributed to, loaded at, and despatched from the collieries?

(*b*) To what extent, if any, do you consider that such improvements would reduce the cost of export and bunker coal?

7. Would you suggest any alteration in the type of wagons supplied for carrying export and bunker coal?

8. What are your views in regard to the present level of railway freights on coal from the coalfields to Kidderpore docks, Shalimar and Howrah? If you consider that they are too high, can you furnish any facts and figures in support of your opinion?

9. Has the work of the Coal Transportation Officer in any way facilitated the trade in export and bunker coal? In your

opinion is it desirable, in the interests of that trade, that the appointment should be retained, and if so, should any modification be made in the present system?

C. Possibility of economies at the docks and coal depots.

10. What are your views in regard to the present level of port charges at Kidderpore docks? If you consider that they are too high, can you furnish any facts and figures in support of your opinion?

11. Have you any suggestions to make in regard to the improvement of the system under which coal wagons arrive at, are unloaded at, and are despatched from the docks? To what extent, if any, do you consider that such improvements would reduce the cost of export and bunker coal?

12. Do you consider the facilities for loading and shipping coal at the docks to be adequate? What suggestions, if any, for their improvement can you put forward?

13. Do you consider that storage and stacking space should be provided at Kidderpore docks with a view to expediting the release of wagons by enabling firms to store coal there pending the arrival of the ship? If so, what should be the extent of the storage provided, and have you any views as to the charges that should be levied for it?

14. Do you consider that the facilities provided for bunker coal at Shalimar and Howrah are adequate? What suggestions, if any, can you put forward for their improvement?

15. What are your views in regard to the present level of charges for the use of these facilities? If you consider that they are too high, can you furnish facts and figures in support of your views?

16. To what extent have increased charges for carrying coal from the depots to steamer affected the price of bunker coal?

D. Steamer freights.

17. What are your views in regard to the present level of steamer freights? If you consider that they are too high, can you furnish any facts and figures in support of your opinion?

E. Comparative merits and prices of Indian and other coals.

18. Have you experience of coals other than Indian coal, and if so, what are your views as to their merits as compared with Indian coal?

19. If the pit head price of coal were eight rupees per ton, what, in your opinion, would be its present c.i.f. price at Madras, Colombo, Bombay, Karachi, Rangoon and Singapore, assuming that the coal is paid for on wagon weights?

20. Have you any definite information as to the prices at which competing coals are selling at these ports?

21. In what manner, in your opinion, can the competition of coal other than Indian with Indian coal at these ports best be met?

22. Do you consider that there are any new markets overseas in which it would be possible to introduce Indian coal? If so, what measures would you suggest to that end?

23. Are there any cases within your knowledge in which the competition of coal other than Indian with Indian coal either in Indian or in other markets has been facilitated by the grant of special concessions in regard to railway and steamer freights or in other ways? If so, can you furnish any facts and figures in regard to the extent and effect of these concessions?

F. Grading, inspection and certification of coal.

Note.—By grading is meant placing coal in various grades or classes, so as to include coals of approximately the same nature within the same grade.

24. Are you in favour of the grading of coal intended for (*a*) export, and (*b*) bunkering?

25. Can you indicate the different grades into which you consider that Indian coals should be classified, and specify the coals which should fall into such grades?

26. If you are in favour of grading, what steps would you suggest should be taken to bring it about as soon as possible?

27. If you are in favour of the adoption of a grading system, should grading be controlled by a Government official, or by a Grading Board? If by a Board, should it be a non official Board with a Government official as Chairman?

28. (*a*) Are you in favour of a system of inspection and grant of certificates of grade?

(*b*) If so, what agency would you suggest for this purpose?

29. In the event of the trade failing voluntarily to establish a grading system, should Government take power by law to enforce it, and if so, what should be the extent of the powers that Government should take?

30. How should the cost of (*a*) grading and (*b*) inspection and certification be borne?

31. As an alternative to grading, would it be possible to export coal on a guarantee of quality and calorific value as determined by analysis?

G.5 Pooling of coal.

Note.—By pooling is meant the combination of two or more firms in the despatch of coal of the requisite grade from the collieries and its shipment from the port.

32. Do you consider the pooling of coal (*a*) for export and (*b*) for bunkering to be practicable? If so, how is this to be brought about? To what extent would it obviate delays either to ships or to wagons?

33. If you are in favour of the pooling of coal, would you still advocate it:

(a) if a steady and adequate supply of wagons were available at the collieries for loading coal for export; and

(b) if additional facilities were provided at the docks and coal depots?

34. Is a compulsory pooling system either practicable or desirable?

No. T-1503, dated 22nd December 1924.

From Chamber to the Secretary, Indian Coal Committee.

With reference to your letter dated the 29th October 1924 No. 70, forwarding five copies of the Questionnaire issued by the Indian Coal Committee, I am directed to send to you herewith the replies of my Committee thereto.

I am further directed to state that my Committee have nominated Mr. C. B. Nanavati of Messrs. Nanavati Vevaina & Co. (Sudama House, Ballard Estate) to give oral evidence before the Indian Coal Committee on behalf of this Chamber.

Replies of the Committee of the Indian Merchants' Chamber to the Questionnaire of the Indian Coal Committee.

(B).

Q. 7.—Facilities should be provided for unloading wagons directly in steamers by mechanical contrivance.

Q. 8.—Rates of freight for transport from mines to Calcutta are very high and must be reduced. Steps must be taken to get sea-freight for coal reduced.

Q. 9.—My Committee are strongly opposed to the continuance of the Coal Transportation Officer. The system which was in vogue before the war should be reverted to; *i.e.* there should be no control.

(C).

Q. 10.—The present Port charges per ton are too high.

Q. 11.—See reply to Question No. 7 above.

Q. 12.—Dock facilities are incomplete. Berthing accommodation is insufficient for requirements.

Q. 13.—The stacking of coal should be discouraged. No dumping arrangements should be encouraged at all.

(D).

		sh.	d.
Q. 17.—Freight from England (6000 miles & 30 days journey)		12	6
„ Africa (17 days journey) ...		12	0
„ Durban to Rangoon		10	0
„ Calcutta to Bombay (11 days)	Rs. 7-8-0		

(E).

Q. 18.—Some grades of Natal and English coal are better than Indian coal.

Q. 19.—The price of Indian coal should be Rs. 5 to Rs. 6 at pits mouth in order that it can compete with foreign coal.

Q. 20.—The prevailing prices of different kinds of coal are as under :—

	Rs.	a.	p.	
Natal	19	8	0	per ton.
English, Welsh Coal	23	4	0	„
Indian, Bengal sea-borne 1st class ex-scale	21	0	0	„
Do. mill delivery ...	24	0	0	„
Do. mixed, ex-scale ...	20	0	0	„

Q. 21.—The competition of foreign coal with Indian coal can best be met by the reduction in handling charges, reduction in Railway freight from mines to ports and obtaining cheaper freight.

Q. 22.—Indian coal can be introduced in the following new markets: Singapore, Colombo, Straits Settlements, Persian Gulf. Help should be given in the shape of bounties.

Q. 23.—The South African Government gives a rebate of 7sh. 9d. per ton in railway freight on coal.

(F).

Q. 24.—My Committee are in favour of grading of coal and the scheme for grading should be proposed by Government for acceptance.

Q. 25.—Coal should be graded according to their commercial value. If the highest grade is fixed at 7500 calories, the next should be fixed at 6500 and so on.

Q. 26.—Government should appoint a Board of Experts to fix the grading for each mine according to its calorific nature.

Q. 27.—As mentioned in reply to Question No. 26, grading should be fixed by a Board, on which Indians should be adequately represented.

Q. 28.—(*a*) Certificates of grade should be granted.

(*b*) The agency for granting certificates should be the Board mentioned in reply to question No. 27.

Q. 29.—My Committee do not favour the trade voluntarily establishing a grading system. Government should take it up and manage it according to the scheme prepared for the purpose. They should take sufficient powers to carry out the work.

Q. 30.—The cost of grading, inspection and certificates should be defrayed by a levy on the mines.

Q. 31.—As an alternative to grading, it would not be possible to export coal on a guarantee of quality and calorific value as determined by analysis.

(G). Pooling of Coal.

Q. 32 to 34.—My Committee are not in favour of pooling or coal. No official system of pooling is necessary or practicable and no official recognition should be allowed to such combination. Pooling should be left to be done voluntarily.

(F) TRADE AND INDUSTRIAL LEGISLATION.

APPENDIX 56.

BILL FOR THE PREVENTION OF ADULTERATION OF FOOD ETC.

Dated 13th December 1923.

From the Ghee Merchants' Association to Chamber.

I beg to enclose herewith a copy of letter addressed to the President and Members of the Bombay Municipal Corporation regarding Bill No. II of 1923 for the Prevention of Adulteration Act.

I shall thank you to put the same before your Committee and support it through the Chamber's representative in the Corporation.

Please let me know who represents the Chamber in the Corporation.

Dated 3rd December 1923.

From the Ghee Merchants' Association to the President and Members of the Municipal Corporation.

With reference to the Bill No. II of 1923 "To prevent the adulteration of Articles of food and the sale of such adulterated articles" and especially referring to Section 4 of the Bill, in connection with Ghee, I am directed by this Association to place before you the following suggestion and alteration that can be made in the said section, for Ghee, as an article of Commerce.

(1) *In place of the words "Not injurious to health" the words "By which the article remains the same in nature, substance and quality" should be substituted.*

For instance, proviso (2*a*) of the section 4 of the above Act seems to express two contradictory statements on account of the words "not injurious to health" and we believe that under this proviso, greater latitude has been given to sellers of articles of commerce in adding or mixing other inferior qualities, because thereby no injury to health can be expected. Under similar circumstances, the definition of Ghee or butter as given by the Act has practically no value, because of the freedom conferred on such dealers by the mere words "Not injurious to health." We might point out to you that hundreds of experiments, which are now-a-days being made to produce entirely new varieties of Ghee by adding, mixing, abstracting or adopting even strange methods, are due to laxity of sufficient control of Legislature over such products, and the result is that genuine qualities of Ghee have been thrown in the background. It is easy to understand that oil, white oil whey, water, inferior quality of Ghee, even vegetable Ghee and animal fat can be safely mixed with Ghee, without so much being injurious to health and the new product thus prepared can safely pass as an article of Commerce, in a state fit for carriage and consumption. All this is indirectly discouraging genuine Ghee to the great detriment of human physique.

Proviso (*b* 1) simply strengthens the proviso (*a*) and besides there is a good deal of contradiction between (*a*) and (*b* 1) of the same section.

(2) The word Ghee as defined in the Act must not be allowed to make use of, in applying to any other product similar to Ghee, but which is not Ghee, so far as the definition goes.

It is a well known fact that many a new product is out in the Market of Ghee, to which different names have been given by the manufacturers viz., Imitation Ghee, Vegetable Ghee, Ghee Sar etc, etc. It is quite evident that Ghee, in the true sense of the term, can neither be vegetable nor imitation nor any of the sort. It must be Ghee. While poor people are easily defrauded by this kind of designation to an article which does not contain even a particle of Ghee, it is worth while to consider its effect on Ghee trade, which has been greatly hampered. We would like to point out to you that owing to the shortage of butter in Europe, an efficient butter substitute was introduced to cope with the requirements of the population, and to this was given the name Margarine. Here in India a manufacturer is free to give any suitable name to the article manufactured, though it does not deserve that name, and this violates the limits prescribed by Law.

(3) Moreover we are strongly of opinion that to support the unanimous voice of the country in having pure milk and pure Ghee and thus to preserve strength and vitality, it is the bounden duty of the Corporation to place direct control over such ill advised manufactures of vegetable, animal fat and other Ghees, and if possible to order out its complete prohibition. Inspite of severe Legislation, we think, no adulteration of such unnatural Ghee with genuine and natural Ghee, can be prevented, and all attempts at improvements might result in nothing but failure if the progress of such qualities of unnatural Ghee is not checked. However we beg to propose the above addition to be made in the above Bill, which advocates the cause of genuine Ghee, which will serve as a stimulus to the spread of natural Ghee of its own accord and the progress of unnatural

manufactures of vegetable and other qualities of ghee will be checked without much botheration on the part of the Bombay Municipality.

Section 4 of the Bill No. II of 1923 for the Prevention of Adulteration Act,—Reference to the above letter.

"4 (1) Any person, who sells or manufactures, offers or exposes for sale any article of food which is not of the nature, substance or quality which it purports to be, shall be punished for every first offence with a fine which may extend to two hundred rupees and for every subsequent offence with a fine which may extend to one thousand rupees.

(2) Provided that no offence shall be deemed to have been committed under this section in the following cases; that is to say—

(*a*) Where any matter or ingredient not injurious to health has been added to the article of food because such matter or ingredient is required for the production or preparation thereof as an article of commerce in a state fit for carriage or consumption and not fraudulently to increase the bulk, weight or measure of the food or conceal the inferior quality thereof;

(*b*) where—

(i) any matter or ingredient not injurious to health has been added to or mixed with or abstracted from any article of food, or

(ii) any article of food is composed of any matter or ingredients not injurious to health and, before the sale thereof, the seller has brought to the notice of the purchaser, by means of a label conforming to such conditions as may be prescribed by rules in this behalf, the fact, that such matter or ingredient has

been so added, mixed or abstracted or the article is composed of such matter or ingredients.

Explanation I. Ghee or butter which contains any substance not exclusively derived from milk shall be deemed to be an article of food not of the nature, substance or quality it purports to be.

No. T-146, dated 5th February 1924.

From Chamber to the Ghee Merchants' Association.

With reference to your letter dated the 13th December 1923 enclosing a copy of your letter addressed to the President and Members of the Bombay Municipal Corporation regarding the Bill to prevent adulteration of articles of food, etc., my Committee regret that they do not see their way to support the suggestions contained in your letter to the President and Members of the Bombay Municipal Corporation.

APPENDIX 57.

BILL FURTHER TO AMEND THE SMALL CAUSE COURTS ACT 1882, IN ITS APPLICATION TO THE PRESIDENCY OF BOMBAY.

No. 3589-B, dated 14th February 1924.

From Government of Bombay, Home Department, to Chamber.

Subject.—A Bill further to amend the Small Cause Courts Act, 1882, in its application to the Presidency of Bombay.

I am directed by the Governor in Council to forward herewith a copy of a Resolution of Government in the Home Department,

No. 3589, dated this day and of its accompaniments* on the subject noted above, and to request that you will be so good as to favour Government as soon as possible with the opinion of your Chamber on the draft Bill.

No. T-284, dated 17th March 1924.

From Chamber to Government of Bombay, Home Department.

I am directed to send hereby views of my Committee in reply to your letter of the 14th February 1924, No. 3589-B.

My Committee have all along held the view that litigation in the High Court is extremely costly and favoured any schemes which might tend to lower these costs. So long back as 11th June 1917 my Committee observed in their letter to Government that the cost of litigation was abnormal and that some way out of the difficulty must be found. There were two alternatives at the time before Government viz. (1) the establishment of a City Civil Court on the basis of a similar Court in Madras and (2) the extension of the powers of the Small Cause Court. The first alternative is now dropped and only the second alternative remains. My Committee are glad to note that Government have now taken up the second alternative and prepared a draft of a Bill to amend the Presidency Small Cause Courts Act, 1882, in its application to the Presidency of Bombay.

My Committee accord their hearty approval to the fundamental principles underlying the Bill viz, extending the jurisdiction of the Presidency Small Cause Courts generally to Rs. 5,000. Doubts may be entertained in some quarters as to the wisdom of such an extension. My Committee cannot however see any reason why such doubts should be entertained in view of the fact that Subordinate Judges' Courts in the mofussil have got a much larger jurisdiction and so far as my Committee are aware there have not been any serious

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Not printed here, Vide file No. R/21 of 1924.

complaints as to the miscarriage of justice there. The personnel of Judges of the Small Causes Court, Bombay, is as good as, if not better than, the personnel of Judges in the Subordinate Courts in the mofussil and there is no reason why they should not be able to handle with efficiency the additional work entrusted to them. The proposed extension of Jurisdiction of the Bombay Small Causes Court will reduce the congestion in the High Court and thus perhaps effect a reduction in public expenditure. Above all it will give relief to the commercial community by reducing costs of litigation.

In order that this last mentioned advantage may really accrue to the public my Committee suggest that there should be a reduction in the fees proposed to be levied. Clause 15 in the draft provide for amendment of Section 71 of the existing Act and suggests a scale of fees which my Committee submit is excessive. They propose the following scale instead :

annas one and pies 3 upto Rs. 500.
anna one from Rs. 500 to Rs. 3,000 and
pies nine from Rs. 3,000 to Rs. 5,000.

If the scale of fees is fixed at a higher rate than this it may defeat the object of the Bill as a litigant may prefer to go to a High Court to paying high fees in the Small Causes Court. It will be seen from the Schedule I of the Court Fees Act that the scale of fees for a suit of Rs. 5,000 is Rs. 275 which is almost the amount realised under the scale proposed above by my Committee. There cannot possibly be any reason why the scale of fees should be higher in the Presidency Small Causes Court than in mofussil Courts.

My Committee beg to suggest in conclusion that two more Junior Judges should be appointed to the present cadre of Judges of the Small Causes Court to cope with the additional work consequent upon the extension of jurisdiction of the Small Causes Court. My Committee find that provision has been made in the Budget for 1924-25 for an additional Judge to clear off the arrears. If the proposed Bill becomes law during the next official year this Judge

may be made permanent and one more Judge appointed making in all six Judges of the Small Causes Court in addition to the Chief Judge.

APPENDIX 58.

BYE-LAWS OF THE EAST INDIA COTTON ASSOCIATION.

No. 4826-G, dated 7th April 1924.

From Government of Bombay, Revenue Department, to Chamber.

Subject.—Bye-laws of the East India Cotton Association.

In continuation of Government letter No. 4826-G, dated 18th February 1924* I am directed by the Governor in Council to enclose for the information of your Chamber the bye-laws passed by the Board of the East India Cotton Association and approved by its representative committee in conformity with the provisions of Article 73 of the Articles of Association. I am to request that you will inform Government whether your Chamber has any objection to these bye-laws being sanctioned and notified by Government. It is intended to bring these new bye-laws into effect at a very early date. The Chamber is therefore requested to send its reply by the 20th April 1924 at the latest.

* Vide page 384.

No. 4826-G, dated 15th April 1924.

From Government of Bombay, Revenue Department, to Chamber.

(b) *Subject.*—Addition of by law 55-A to the by-laws of the East India Cotton Association.

In continuation of Government letter No. 4826-G, dated 7th April 1924 on the above subject, I am directed to state that the additional by-law 55-A of the Association will be included as by law 48 in the proposed new by-laws forwarded for the remarks of your Chamber with another Government Letter No. 4826-G, of the same date.

No. T-412, dated 14th April 1924.

From Chamber to Government of Bombay, Revenue Department.

With reference to your letter No. 4826-G, dated the 7th instant, enclosing a copy of the bye laws of the East India Cotton Association, I am directed by my Committee to say that they have no remarks to offer.

No. 4826-G, dated 18th February 1924.

From Government of Bombay, Revenue Department, to Chamber.

Subject.— Amendment of by-law 59 of the East India Cotton Association.

I am directed by the Governor in Council to state that under section 3 (3) of the Bombay Cotton Contracts Act XIV of 1922,

Government have accorded their approval to No. 59 of the by-laws of the East India Cotton Association published in Government Notification No. 4826-G, dated 20th October 1923 being amended as follows :—

'With the approval of the 75 percent. of the members present (subject to a minimum limit of eight members present and a fraction being counted as an integer) the Board may from time to time and for such period as the Board may in the circumstances find it advisable to prescribe, prohibit trading in one or more Hedge Contracts for the sale or purchase of Cotton, or of any description or class of cotton, specified in Schedule 'A' at a higher or lower rate than such as may from time to time be fixed by the Board and the Board may with the approval of the Representative Committee absolutely prohibit such trading for a specified time, or until further notice or altogether."

I am to request that Government may be informed as early as possible whether your Chamber has any objection to the amendment being notified in the *Bombay Government Gazette*.

T-259, dated 6th March 1924.

From Chamber to Government of Bombay, Revenue Department.

With reference to your letter No. 4826-G, dated the 18th February 1924, the question of the proposed amendment of the bye law No. 59 of the East India Cotton Association was considered by my Committee in consultation with some members of the above Association. My Committee approve of the proposed amendment provided the minimum limit of members present is raised from 8 to 10.

No. 4826-G., dated 7th April 1924.

From Government of Bombay, Revenue Department, to Chamber.

Subject.—Addition of new by-law 55/A to the by-laws of the East India Cotton Association.

In continuation of this Department letter No. 4826-G, dated 7th April 1924 I am directed by the Governor in Council to state that under section 3 (3) of the Bombay Cotton Contracts Act, XIV of 1922, Government propose to sanction the addition of the following by-law 55/A under the "Trading by-laws" of the East India Cotton Association published in Government Notification No. 4826-G, dated 20th October 1923 :—

"55-A. Trading in New Crops shall be permitted each year from 1st June provided that in the event of trading in July-August fully Good Broach being prohibited in any year, the Board may that year permit trading in New Crops from 1st May with the approval of the Representative Committee."

I am to request that Government may be informed by April 20th whether your Chamber has any objection to the addition.

No. T-411, dated 14th April 1924.

From Chamber to Government of Bombay, Revenue Department.

With reference to your letter No. 4826-G, dated the 7th instant on the subject of addition of new bye-law 55/A to the bye-laws of the East India Cotton Association, I am directed by my Committee to say that they have no remarks to offer.

APPENDIX 59.

FORM "E" OF SCHEDULE III OF THE INDIAN COMPANIES ACT, 1913.

No. 2220 of 1923-24. dated 23rd January 1924.

From the Registrar of Companies, Bombay to Chamber.

Subject:—The Indian Companies Act, 1913, Form E, of Schedule III.

I have the honour to invite your attention to the form of Summary required to be filed by companies under section 32 of the Indian Companies Act, (Form E of Schedule III to the Act,) of which a specimen * is sent for ready reference.

2. I am directed to enquire whether any practical difficulty has been experienced by the members of your Chamber in dealing with the last item viz:—

> "17. Total amount of debt due from the company in respect of all Mortgages and Charges which are required to be registered with the Registrar under this Act."

3. It has been suggested that the item in question requires elucidation.

4. An early reply is requested.

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* Not printed here.

No. T.-150, dated 5th February, 1924.

From Chamber to the Registrar of Companies, Bombay.

Subject:—The Indian Companies Act, 1913. Form E of Schedule III.

With reference to your letter No. 2220 dated the 23rd January 1924, I am directed by my Committee to enquire what is meant by "*elucidation*" of the item under reference and on what lines it has been suggested to elucidate the same.

An early reply to this letter is solicited.

No. 2445, dated 9th February 1924.

From the Registrar of Companies, Bombay to Chamber.

With reference to your letter No. T 150 dated 5th instant I have the honour to state that by elucidation of the last item in form E, I mean are the words "debt due" occuring therein perfectly clear or whether a doubt occurs as to what that term includes? It has been suggested that Secretaries etc. of Companies are uncertain whether to insert the full amount for which the registered Mortgages, Letters of Hypothication etc. may be utilized as security or only the amount due thereon.

2. In view of the above you are requested to state whether any practical difficulty is experienced by the members of your body in complying with the provisions of the item in question and whether you think it desirable to subdivide the item so as to show both the amounts of authorised mortgages or charges and the actual sums due from a company thereunder.

No. T-183, dated 19th February 1924.

From Chamber to the Registrar of Companies, Bombay.

With reference to the correspondence ending with your letter dated the 9th instant, No. 2145 of 1923-24, I am directed by my Committee to inform you that to their knowledge no difficulties have been experienced in this matter by members of this Chamber.

APPENDIX 60.

PROPOSED AMENDMENT OF THE INDIAN COMPANIES ACT, 1913.

No. 480-G/24, dated 15th April 1924.

From Government of Bombay, Revenue Department to Chamber.

Subject :—Proposed amendment of the Indian Companies Act, 1913.

I am directed by the Governor in Council to forward for the information of your Chamber copies of the letters from the Managing Director of the Central Bank of India, mentioned in the margin together with the substance of the comments thereon by the Registrar of Companies, and to request that Government may be favoured with the remarks of your Chamber on the proposals for amendment of the Indian Companies Act, 1913, made by Mr. Pochkhanawala.

Letters dated 15th January 1924, and 5th February 1924, to the Government of India.

Letter dated 25th February 1924, to this Government.

Dated 15th January 1924.

From Mr. S. N. Pockhanawala, Managing Director, Central Bank of India, Limited, Bombay to the Legislative Department, Government of India.

I understand that the Government of India contemplate the amendment of legislation regarding Joint Stock Companies in India, and, in this connection, I have the honour to bring to your notice the following facts for favour of consideration :—

It is a matter of common knowledge that during recent years the unfortunate habit of making reckless and unfounded charges against Public Companies and their management has come into vogue, and that too by absolutely irresponsible persons who have much to gain and nothing to lose by giving wide and undue publicity to such charges. Often it is that matters go to the length of unnecessary and futile legal proceedings being instituted, the person taking such proceedings, although well aware that the charges are groundless, doing so only with a view to satisfy private grudge by impairing the credit of the Company. It need not be pointed out that the mere making of such charges, whether rightly or wrongly, does considerable harm to the interests of the Company, and the fact that such charges have been made, irrespective of the justification or otherwise therefor, serves in a great measure not only to do harm to the Company, but also to actually retard its progress for such time at least until it is able to have confidence restored about its management in the eyes of the public.

Those who circulate malicious reports or unnecessarily instigate or institute these proceedings, though they may fail in Court, succeed in attaining their object, viz., to do harm to the Company, and it is really unfortunate and much to be regretted that, whereas the Company suffers considerable harm by such proceedings, those who prefer such charges or launch such unnecessary or futile proceedings are allowed to escape and legislation does not provide any remedy by which the aggrieved party can call them to book.

If Companies in general suffer harm by such proceedings it can well be imagined what great and irreparable mischief can be done

to a Bank by the circulation of such unfounded reports or the launching of reckless proceedings which ultimately prove futile. The main essential for the efficient and successful management and conduct of a Bank is its credit; nay, it is the very breadth of its existence and if once its credit is shaken, and the confidence of depositors is destroyed, there is a steady and constant drain of deposits from the Bank and its fate is sealed. In spite of this the person who is the originator of the whole mischief and solely responsible therefor escapes unscathed.

A glaring instance of the harm done to a Bank by the circulation of such reports and the adoption of such proceedings as are referred to herein is the recent one of the late Tata Industrial Bank, Limited, in which case on account of a constant stream of unfounded allegations in Law-suits there was a drain on the Deposits with the Bank, and ultimately the Company had to devise means for its amalgamation. In other cases too, recent experience has shown that irresponsible persons with no status either independently or under instigation from interested wire-pullers, go on launching reckless and unfounded allegations and adopting unnecessary proceedings, and though they do fail, and as a matter of fact have failed, in such proceedings, it has been found that the interests of the Company they malign have been seriously affected, and yet the evil-doer cannot be brought under the rigours of the Law.

The case above-cited of the Tata Industrial Bank is a striking example of the mischief done to a Public Institution, and, for aught one knows, similar unfounded reports might be circulated or unnecessary or vexatious proceedings adopted against any other Bank, even against an institution like the Imperial Bank of India any day, and if the circulators of such reports or the adopters of such proceedings are allowed to go unchallenged or unpunished, no Bank would be safe and its existence would be rendered precarious.

It would, therefore, appear that it is highly expedient that to prevent the institution of such reckless and futile charges or proceedings, there should be some Legislation, and I venture to suggest, under the circumstances, that legislation should provide for some

means or remedy by which such persons if they fail in their vexatious proceedings, should be made to undergo some penalty. The infliction of a penalty would, as a remedial measure, I hope and trust, act as a deterrent and prevent such irresponsible persons whose only object, under the cloak of public weal, is to harass and annoy the Companies in their particular disfavour and to do them harm by flinging at them unfounded charges and dragging them into unnecessary and vexatious litigation.

Another circumstance to which I would respectfully draw your attention is that it is within the powers of the Directors of a Company to prevent an undesirable man from becoming a Shareholder in their Company by refusing to transfer a share or shares to his name, but it is exceedingly unfortunate that if once such an individual becomes a shareholder by his holding one or more shares and then adopts an obnoxious attitude, or otherwise so acts as to prejudice the interests of the other shareholders or to jeopardise the existence of the Company, the Shareholders themselves, as the law now stands, are not able to remove the obnoxious shareholder from their fold, and I venture to suggest that legislation should provide ways and means giving power to the Shareholders to remove from their midst a Shareholder whom their definite majority, say one-half, two-thirds or three-fourths, consider to be prejudicially affecting the best interests of the Company.

Commending the above suggestions to your favourable consideration.

Bombay, 5th February 1924.

From Mr. S. N. Pochkhanawala, Managing Director, Central Bank of India, Limited to Legislative Department, Government of India.

I have the honour, in continuation of my letter dated 15th ultimo, and addressed to you in regard to the proposed amendments in the law relating to joint stock Companies, to request your kind

attention to one or two further points that have suggested themselves to me, in the hope that they will, along with my said letter of the 15th ultimo, receive due consideration at your hands.

The prevention of Corruption Act 6 Edw. 7 C. 34, which deals principally with corrupt practices by Agents, etc., has a very safe and salutary provision in s. 2 thereof which provides that a prosecution for an offence under the Act should not be instituted without the consent of the Attorney-General or the Solicitor-General and the Vaxatious Indictment Act 1859 has also been made applicable to offences under the said Act.

I trust, I have pointed out in my previous letter with sufficient clarity the hardship under which Public Companies have to labour by reason of reckless and unfounded charges being made, and frivolous and vexatious proceedings instituted haphazard and at random —some times with malice aforethought by irresponsible persons under the cloak of public weal, but in reality to gain their own private ends or to satisfy their grudge—and have also pointed out that if it is unfortunate in the case of Public Companies,—it is positively disastrous in the case of Banks and kindred institutions, the very existence of which depends entirely on their credit, and any unfounded or malicious report or any proceeding recklessly instituted is sufficient to shake public confidence and at times to deal a deathblow to such (Banking) Institutions. In the case of other Joint Stock Companies, it is likely that they can withstand or outlive such malicious reports or even proceedings, but in the case of Banks, their very foundations are shaken and their existence jeopardised if once their credit, which is the foundation stone of their existence is impeached.

I therefore most respectfully urge that it is now high time that some legislation should be provided by which any person instituting criminal or other proceedings against those responsible for the conduct or management of Public Companies in general and Banking Institutions in particular could not do so without the consent of the Advocate General or the Solicitor to Government and that no Court should take cognizance of any case against a Public Company-

or at any rate, a Banking Institution—unless the person launching such proceedings comes to Court armed with such consent.

The natural result of such a salutary provision, or any provision, analogous thereto, would be to deter irresponsible persons from launching unnecessary, futile or vexatious proceedings against Companies—and more especially against Banks to the harassment and annoyance of the Officers concerned, and considerable waste of public time, energy and money would be obviated.

Such a provision would also be no less to the advantage of the public, because in a clear case nothing would prevent an aggrieved person from approaching the Advocate-General or the Solicitor to Government and obtaining his consent to the institution of proceedings and to have the party in default brought to book.

It is likely that the proposed amendment of the Indian Companies' Act will take some time before it passes into Law and comes into force as it has to pass through the various and necessary phases of legislation, and I, therefore, venture to submit most respectfully that in order to avoid and in some measure to obviate the great hardship to which Banking Institutions are liable to be subjected by reason of the proceedings above spoken of, some legislation with regard to Banking Institutions alone, on the analogy of s. 2 of the Prevention of Corruption Act, may be taken up as an urgent measure, and that in view of such Legislation, these suggestions will commend themselves to your favourable consideration.

Bombay, 25th February, 1924.

From Mr. S. N. Pochkhanawala, Managing Director, Central Bank of India, Ltd. to Legal Department, Government of Bombay.

Re: Indian Companies Act 1913.

I have the honour to forward herewith copies of letters addressed by me to the Secretary to the Government of India, Legislative

Department, on the 15th ultimo and the 5th instant respectively, and a copy of the reply received by me from the Under Secretary to the Government of India, Department of Commerce, No. 60 T (2) of the 6th instant, which reply was written before receipt of my second letter, and in view of the request made by the Under Secretary in his reply I would most earnestly request the Government of Bombay to take the matters dealt with in my letters into consideration with a view to the amendment of the Indian Companies Act, 1913 so as to render it more difficult for vaxatious proceedings to be instituted against Companies, and, so far as may be practicable, to penalize the parties who take such proceedings, and I would press for emergent legislation on the lines suggested in my letter of the 5th instant for the protection of Banking Companies.

2. I would draw attention to the fact that there are a very large number of penalties imposed by the Indian Companies Act, 1913 for neglects or defaults in matters of form, and that as the law stands any shareholder or for the matter of that any member of the public can prosecute. The neglect or default committed may have been of a very trivial nature as has in fact been the case in recent prosecutions which have taken place in Bombay, but the Company concerned is nevertheless subjected to the publicity of prosecution with the necessary result that the public is misled into the belief that some grave offence has been committed, and the welfare of the Company is thereby affected. I venture to assert that if it had been necessary for the Complainant in any of the recent Bombay prosecutions to obtain a sanction to prosecute, not one of such prosecutions would have been launched, and it is a matter of common knowledge what the effect of the prosecutions brought against Tata Industrial Bank, Limited, had upon that Bank.

3. I think that it will be appreciated that the remedies provided by law are altogether inadequate in the case dealt with by me; the damage has been done by the proceedings taken against the Company, and it is of no sort of use to the Company that it can take proceedings in its turn for defamation or malicious prosecution.

4. I shall esteem it a favour if this letter is acknowledged and

I may be informed of the action Government is inclined to take in the matter.

Substance of the remarks of the Registrar of Companies on the letters from the Managing Director, Central Bank of India.

It appears from the letter of Mr. Pochkhanawala of 15th January 1924 to the Government of India that the following complaints are made :—

(1) Persons spread malicious reports to the detriment of the credit of companies;

(2) persons institute vexatious prosecutions and suits against Companies to the detriment of their credit;

(3) undesirable persons, once members of a company, cannot be expelled;

The following remedies are suggested in these letters for the amendment of the Indian Companies Act.

(*a*) For 1 and 2 of the imposition of penalties.

(*b*) For 3 giving power to the company in general meeting to expel a member by some prescribed majority of votes.

(*c*) As to (2) in the supplement letter of 5th February it is suggested that the Fiat of the Advocate General or Solicitor to Government should be made necessary before commencing a prosecution under the Companies Act.

2. As regards complaints (1) and (2) it may be noted that under section 11 of the Indian Penal Code the word "Person" in that Code includes "Company" so that apart from any civil remedies it would appear that sections 211, 499 and 500 of the Indian Penal Code apply and the amendment of the Indian Companies Act on the lines suggested by Mr. Pochkhanawala in (a) in paragraph 1 above does not appear to be necessary.

3. As regards complaint (3) the power to expel a member on the lines indicated could now be taken by a company under its articles, in fact articles on these lines are sometimes framed in the case of private companies, so that there would appear to be no need to amend the Companies Act as suggested at (b). It may however be remarked that such an article is likely to frighten the investing public from putting their money into a company even though reasonable security were given to the expelled member for recovering the value of his shares.

4 As regards suggestion (c) the Registrar considers that it would not be desirable in a country where distances are so large to make it necessary to obtain the Fiat of an official at the Seat of Government. In this Presidency for instance it would be a hardship if a shareholder in Aden of an Aden Company or in Quetta of a Quetta Company had to come or forward his papers to Bombay for sanction before a prosecution could be launched in Aden or Quetta.

The Registrar draws attention to section 202 of the Criminal Procedure Code which empowers a magistrate to order a preliminary investigation. This section has been made use of in Bombay and if there is no case against a company such criminal investigation should not damage its credit.

No. 480-G/24, dated 20th May 1924.

From Government of Bombay, Revenue Department, to Chamber.

Subject :—Proposed amendment of the Indian Companies Act, 1913.

In continuation of Government letter No. 480-G/24 dated 15th April 1924, I am directed by the Governor in Council to forward a copy of letter dated 8th May 1924 from the Managing Director of the Central Bank of India, Limited and to request that Government

may be favoured with the remarks of your Chamber on the further proposals for amendment of the Indian Companies Act, 1913, made by Mr. Pochkhanawala.

Bombay 8th May 1924.

From Mr. S. N. Pochkhanawala, Managing Director, The Central Bank of India, Limited, Bombay to Government of Bombay, Revenue Department.

Subject:—Proposed amendment of the Indian Companies Act, 1913.

I am informed that my letter to the Secretary to the Government, Legal Department, of the 25th of February 1924, and my previous letters to the Government of India, with a copy of the minutes thereupon by the Registrar of Companies, Bombay, have been forwarded to the different Chambers for their information and opinion. I have the honour, therefore, to further address you as under on the subject and to request the favour of copies of this letter also being forwarded to these institutions for their information.

2. I appreciate that considerably greater difficulty might lie in effecting any change in the law whereby the spreading of malicious reports damaging the credit of a company could be dealt with than in the case of similar defamation of a private person. Both are no doubt punishable under Sections 499 and 500 of the Indian Penal Code but the code does not take into account the magnitude of the damage caused or which might be caused to a public company which I submit might greatly exceed the damage caused to an individual. And it has always to be borne in mind that the Indian Penal Code makes no provision for the payment of the Complainant's costs by a convicted person, which is otherwise under the more modern legislation in England.

3. The Registrar of Companies appears to have overlooked the facts that Sections 499 and 500 of the Indian Penal Code would

not apply in the cases of vexatious proceedings taken either in Civil or Criminal Courts; no remedy is provided in the case of Civil Suits other than the dismissal of the suit and a decree for costs, and in criminal cases the aggrieved party has to institute proceedings under Section 211 of the Indian Penal Code or to file a suit for damages for malicious prosecution.

4. These remedies, however, do not protect the credit of the company concerned during the period between the institution of the proceedings and the result of the same and any subsequent proceedings. Irreparable harm may be done to a company's credit by proceedings instituted in the Police Court which, if of an involved nature, might extend over several months to be finally dismissed, and subsequent proceedings under Section 211 of the Penal Code might take equally long. A suit for damages would take very much longer before final determination.

5. I have also to point out that the proceedings might be instituted in respect of some technical and extremely trivial default on the part of the company, which might enable the complainant to claim that he was legally justified in taking action, though not morally or commercially justified in that the proceedings were instituted without any reasonable grounds and with the sole motive of causing damage to the company concerned.

6. In the bulk of the technical offences under the Indian Companies Act no person has been damnified and I submit that it should not be open to a person who has suffered no damages to institute proceedings without any check. The Registrar of Companies appears to think that it would entail hardship if the fiat of the Advocate-General or Public-Prosecutor had first to be obtained, owing to the distances in India. I would meet this objection by substituting that the leave of a Judge, in Chambers, not necessarily a High Court Judge, should first be obtained, giving the Judge a wide discretion and power to give the leave, if necessary, with a general direction that leave should not be granted unless necessary for the ends of justice. Many technical offences could be suggested, for which, if the company, on its attention being drawn to the

same, promptly remedied the omissions, leave to prosecute should not be given unless the complainant had actually suffered loss by reason of the offence.

7. I do not suggest that leave should be necessary to institute legal proceedings in respect of all offences under the Companies Act. It may be that it would be inexpedient to require it in some cases and that would of course be provided for in the legislation which I ask for.

8. I have to point out that the legislation suggested by me is not of a novel nature but is somewhat akin to two Acts of Parliament namely:— the Vexatious Indictments Act 22 and 23 Vict. Chap. 17 and the Vaxatious Actions Act 59 and 60 Vict. Cap. 51. The latter Act is intended to apply to the case of a person who habitually and persistently institutes vexatious legal proceedings and provides for the leave of a Judge to be obtained before proceedings are instituted. The wording of this Act applies very appropriately to the case referred to by me in the previous correspondence.

9. With regard to power to expel a member of the company I have to submit that the suggestion of the Registrar of Companies, even if feasible in the case of existing companies, would prove a fertile ground for a large number of suits. Notwithstanding the express terms of the Articles of Association the Court will always protect the minority against the majority and it may safely be assumed that if a member was so objectionable as to be expelled by his fellow members he would almost certainly file a suit for a declaration that the action of his fellow members was an abuse of their powers and for re-instatement.

10. In the case of existing companies I have to submit that such an alteration of the Articles would not be binding upon any existing member who had not voted for the alteration.

11. I do not suggest that the rights of individual shareholders should be abridged or curtailed: I only ask companies, specially Banks, may be protected against improper exercise of machinery

which was intended by law to be for the benefit of the public and not to be a means by which private spite or desire for revenge or notoriety can be satisfied.

No. T-666, dated 10th June 1924.

From Chamber to the Government of Bombay, Revenue Department.

My Committee have fully considered letters from the Managing Director of the Central Bank of India, Ltd., sent along with your letters No. 480-9/24 dated the 15th April 1924 and the 20th ultimo. I am directed to convey to you their opinion that the object in view can be served by requiring the complainant to obtain a certificate from the Advocate General to the effect that there is a prima facie case before the complainant can institute proceedings against a Company. My Committee think that if this suggestion is adopted there will be no necessity of taking any further action with regard to the proposals put forward by Mr. S. N. Pochkhanawalla.

APPENDIX 61.

INSERTION OF A NEW SECTION 13-A IN THE IMPERIAL BANK OF INDIA ACT, 1920.

No. 3169-F., dated 10th May 1924.

From Government of Bombay, Finance Department, to Chamber.

Subject:—Imperial Bank of India Act 1920: Insertion of new section 13-A in—

I am directed by the Governor in Council to forward a copy of a Bill further to amend the Imperial Bank of India Act, 1920 with the statement of Objects and Reasons and to request that you

will favour Government with the opinion of the Chamber on the provisions of the Bill.

2. I am to request that the reply to this letter may be sent by the 1st June 1924 at the latest.

Government of Bombay, Finance Department, Resolution No. 3169 dated 2nd May 1924.

Letter from the Government of India, Legislative Department, No. 2886-A.C., dated 9th April 1924 :—

"With reference to the Debates of the Legislative Assembly dated the 24th March 1924, I am directed to forward herewith 60 copies of the papers noted below and to request that the Governor in Council will favour the Government of India in this Department with an expression of his opinion on the provisions of the Bill and opinions of the Honourable the Judges of the High Court and of important Chambers of Commerce and such selected officers and other persons as the Governor in Council think fit to consult on the subject.

1. The Imperial Bank of India (Amendment) Bill with Statement of Objects and Reasons.

* 2. Extracts from the Legislative Assembly debates dated the 24th March 1924, regarding the Bill.

"2. I am also to request that the Bill and the Statement may be published in the *Bombay Government Gazette* in English and in such other languages as the Governor in Council may deem proper and that the dates of such publication may be communicated in your reply.

"3. I am to ask that the reply to this letter may be sent in by the 1st July 1924."

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* Not printed here.

Memorandum from the Legal Department No. 1038 dated 22nd April 1924.

RESOLUTION.—Copies of the letter from the Government of India and of its accompaniments should be forwarded to the Commissioner in Sind, the Commissioners of Divisions, and the Judicial Commissioner of Sind with the request that they will favour Government with their opinions on the provisions of the Bill and the opinions of any officials and non-officials whom they may think fit to consult.

2. Copies should also be forwarded to the Registrar of His Majesty's High Court of Judicature, Appellate Side, Bombay, with the request that Government may be favoured with the opinion of the Honourable the Chief Justice and the Judges of the High Court.

3. Copies should be forwarded to the Advocate General and the Remembrancer of Legal Affairs for favour of their opinion.

4. Copies should also be forwarded to the Chambers of Commerce, Bombay and Karachi, Associated Exchange Banks, Bombay, the Bombay Presidency Trades Association, the Indian Merchants' Chamber, Bombay, and the Bombay Underwriters' Association, for favour of opinion on the provisions of the Bill.

5. The officers and Associations concerned should be requested to furnish their replies by 1st June 1924 at the latest.

6. The Bill and the Statement of Objects and Reasons should be translated into Marathi, Gujarati, Kanarese and Urdu languages with the least possible delay and published in those languages and in English in the *Bombay Government Gazette*. The Commissioner in Sind should be requested to arrange for the publication of the Bill and the Statement in English and Sindhi in the *Sind Official Gazette*. The dates on which the several publications are made should be reported to Government as soon as possible.

By order of the Governor in Council.

Accompaniment to Government Resolution, Finance Department, No. 3169, dated 2nd May 1924.

[*As introduced in the Legislative Assembly.*]

A Bill to amend the Imperial Bank of India Act, 1920.

WHEREAS it is expedient to amend the Imperial Bank of India Act, 1920, for certain purposes hereinafter appearing, it is hereby enacted as follows:—

1. *Short title.*—This Act may be called the Imperial Bank of India (Amendment) Act, 192 .

2. *Insertion of new section 13A in Act XLVII of 1920.*—After section 13 of the Imperial Bank of India Act, 1920, the following section shall be inserted, namely:—

"13A. *Power of Bank to grant loans to certain other Banks.*—Notwithstanding anything contained in Schedule I, the Bank may, for the purpose of averting the winding up of any company which is a banking company within the meaning of section 13 and of which the capital is divided into shares, or, where any such company is being wound up, of facilitating the winding up, advance or lend money to, or open a cash-credit in favour of, such company or the liquidators thereof, as the case may be, upon the security of the assets of such company."

Statement of Objects and Reasons.

The Imperial Bank of India Act, 1920 (XLVII of 1920), contains no provision enabling the Imperial Bank to intervene effectively, without the assistance of Government, in a financial crisis, for the purpose of either averting the winding up of any banking concern or facilitating the winding up of any such concern. The absence of such provision was brought prominently to notice in the circumstances attending the failure of the Alliance Bank of Simla

last year, and an undertaking was given on behalf of the Government in the debate in the Legislative Assembly on the 18th July 1923, that the Government of India would consider the question of so amending the Imperial Bank of India Act, 1920, as to make it possible to do on any future occasion what the Imperial Bank was unable to do, without the intervention of Government, in the case of the Alliance Bank.

The object of the present Bill is to enable the Imperial Bank, with the object either of averting or of facilitating the winding up of any Banking concern to assist such concern by making advances to it or to the liquidators of such concern, not only against the securities prescribed elsewhere in the Act but against its assets generally.

BASIL P. BLACKETT.

The 20th March 1924.

From Chamber to Government of Bombay, Finance Department.

No. T-737, dated 28th June 1924.

I am directed in reply to your letter of the 10th May 1924, No. 3169-F, to send hereby the views of the Committee of this Chamber. They welcome the proposed legislation to amend the Imperial Bank of India Act, 1920, but suggest the following provisions for being incorporated in it :—

(*a*) Only Banking Companies registered under the Indian Companies' Act should be eligible for the advance permitted by the proposed section ;

(*b*) Where it is a question of facilitating the winding up of a Bank, no such action as contemplated in section 13-A should be taken without the approval of the Central

Board and not by any Committee or Sub-Committee of the Central Board.

(c) Any such advance should not exceed 60 percent of the assets of the Bank or Banking Company to which money is proposed to be lent, such assets to be ascertained on a valuation by competent authorities at the time of application for such advance.

APPENDIX 62.

RE-ARRANGEMENT OF THE NEGOTIABLE INSTRUMENTS ACT ON THE LINES OF THE ENGLISH BILLS OF EXCHANGE ACT, 1882.

No. 5701-B, dated 25th June/14th July 1924.

From Government of Bombay, Home Department to Chamber.

Subject.—Negotiable Instruments. English Bills of Exchange Act, 1882.. Re-arrangement of Law relating to— on the lines of the—

I am directed by the Governor in Council to forward herewith a copy of a Resolution of Government in this Department No. 5701, dated this day, together with its accompaniments on the subject noted above, and to request that you will be so good as to favour Government with the opinion of your Chamber on the suggestions made in the letter from the Secretary, Statute Law Revision Committee.

Government of Bombay, Home Department. Resolution No. 5701. Bombay Castle, 25th June 1924.

Resolution.—Copies of letter from the Government of India in the Department of Commerce, No. 314 C, dated the 7th June 1924, and of its accompaniments, should be forwarded to the High Court, the Court of the Judicial Commissioner of Sind, the Advocate General, Bombay, the Solicitor to Government, Bombay, the Remembrancer of Legal Affairs, the Chief Judge, Court of Small Causes, Bombay, the Government Pleader, High Court, Bombay, the Government Pleader and Public Prosecutor in Sind and the Principal, Bombay Law School, with a request that they will favour Government with their opinion on the suggestions made in the letter from the Secretary, Statute Law Revision Committee.

2. The High Court and the Court of the Judicial Commissioner of Sind should be requested to consult such selected District Judges as they may think fit. The District Judges so selected should also consult the local Bar Associations and other interested bodies.

3. Copies of the letter and of its accompaniments should also be forwarded to the Bombay and Karachi Bar Associations, the Bombay Vakils' Association, the Pleaders' Association of Western India, the Bombay Incorporated Law Society, the European Association, Bombay Branch, the Bombay Presidency Trades Association, the Indian Merchants' Chamber, the Bombay Presidency Association, the European Association, Karachi, and the Indian Merchants' Association, Karachi, who should also be requested to favour Government with their opinion on the suggestions made in the letter from the Secretary, Statute Law Revision Committee.

Government of India, Department of Commerce No. 314-C., dated Simla, the 7th June 1924.

From—The Honourable Mr. D. T. Chadwick, C. I. E., I. C. S. Secretary to the Government of India ;

To—The Chief Secretary to the Government of Bombay.

I am directed to forward copy of a letter No. 6, dated the 6th

December 1923, from the Statute Law Revision Committee suggesting that the law relating to negotiable instruments in India should be re-arranged on the general lines of the English Bills of Exchange Act, 1882 (45 and 46 Vict., cap. 61), and also that it should be amended so as to remove certain important differences between it and the English Law mentioned in the memorandum attached to the Committee's letter.

2. I am to say that the Government of India would be glad if His Excellency the Governor in Council will favour them with his views on these suggestions after consulting the mercantile community and such other local bodies or individuals as he may think desirable. I am also to ask that the opinions of the Honourable the Judges of the High Court may be obtained and forwarded with your reply.

No. 6, dated Delhi, the 6th December 1923.

From—The Secretary, Statute Law Revision Committee;

To—The Secretary to the Government of India, Legislative Department.

I am directed to say that as the Government of India are aware the Statute Law Revision Committee have under consideration the preparation of a Bill to consolidate the law relating to negotiable instruments.

2. It was suggested at a recent meeting of the Statute Law Revision Committee that the Indian Law when consolidating should be rearranged on the general plan of the Bills of Exchange Act, 1882 (45 and 46 Vict., cap. 61). This Act was passed after the Indian Law and undoubtedly presents its provisions on a clearer and more succinct scheme. If this matter had been one of the first impression the Committee would have had no doubt in the matter and would have followed generally the English arrangement. It cannot, however, be left out of consideration that the Indian Act has been in force in its present form for 42 years during which period the

courts and the legal profession have become familiar with the present arrangement of the Act. Before, therefore, the Committee come to a final decision in the matter they think they ought to suggest to the Government of India that an enquiry should be made from the High Courts and other interested authorities as to which of the alternative courses they would prefer. If the Government of India are unwilling to make the suggested enquiry the Committee propose to arrange their Bill on the lines of the English Act.

3. There is another matter on which they would invite the attention of Government. The English Bills of Exchange Act is subsequent in date to the Indian Act as has already been stated. The Bill originally brought forward in Parliament was intended to be a purely consolidating measure but in the Committee stage certain amendments were introduced. Some of these amendments have been incorporated by subsequent enactments in the substance of the Indian Law, while in certain instances a different rule has been definitely adopted in India. Where this has been done intentionally and after consideration the Committee would certainly not wish to suggest to disturb the existing rule. They are greatly impressed however of the importance to trade and commercial interests of maintaining the same rules in England and India in the law relating to mercantile instruments. They, therefore, enclose for the information of Government a note showing the more important differences between the laws in the two countries. It may be that Government may be inclined to adopt some of these, at any rate those that merely clarify the law, and if so, the Committee will be happy to include them in their draft Bill.

When the Bills of Exchange Act, 1882, was enacted the following changes were made in the substantive law.

Section 4 (2).—This runs as follows:

"Unless the contrary appear on the face of the Bill the holder may treat it as an inland Bill."

The effect of this is that though a bill purports to be a foreign bill the holder may nevertheless show that it is in fact an inland

bill for the purpose of excusing protests; while if it purports to be an inland bill though really a foreign bill he may treat it at his option as either. See sections 11 and 12 of the Negotiable Instruments Act, 1881. The provision is a useful one though not of great importance.

Section 7 (2).—This new section enables a bill to be made payable to an alternative payee or to an office holder. Previously bills so drawn were void for uncertainties. The first amendment has been made in the Indian Law by Act V of 1914 but the second has not and it might be well to secure uniformity in this case also.

Section 7 (3). This enables a bill where the payee is a fictitious or non-existing person to be treated as payable to bearer. This is a change in the law, but is in accordance with the American law. An amendment to this effect would clear the law which is apparently not now clear in India.

Section 8 (1).—This sub-section read with subsection (4) of the same section changes the law. Before these provisions a bill drawn in the form "Pay C" is not negotiable. The Indian law maintains the old English rule. There seems no ground for the difference.

Section 8 (3).—This changes the law which formerly provided that where a bill was indorsed in blank its negotiability to bearer was not affected by a subsequent special indorsement. The rule laid down by section 55 of the Indian Act follows the old English law.

Section 12.—This was added in Committee and clears the position where the date in a bill payable after sight is blank or the acceptance of a bill after sight is undated.

Section 15.—Here is a definite distinction in law between the English and the Indian Law. Under this provision presentment is optional; under our law (section 115) presentment is obligatory.

Section 18 (3).—Settles the law as to the date of acceptance after previous dishonour.

Section 33.—The law as to conditional indorsement has been changed. Formerly if a bill is indorsed conditionally the acceptor paid it at his peril if the condition is not fulfilled. The Indian Act still possesses the old common law rule.

Section 39 (4).—This sub-section clears the law dealing with the case of a domiciled bill coming forward late.

Section 41 (2) (c).—Lays down the definite provision that presentment is excused and a bill may be treated as dishonoured by non-acceptance where although the presentment has been irregular acceptance has been refused on some other ground.

Section 44 (3).—Lays down that when the drawer or indorser of a bill receives notice of qualified acceptance and does not within a reasonable time express his dissent to the holder he should be deemed to have assented thereto. This settles a doubtful point in favour of the holder. The Indian Law still seems doubtful on this point.

Section 49 (6).—This makes it clear that the return of a dishonoured bill to a drawer or an indorser is sufficient notice of dishonour.

Section 51 (4).—This changes the law as to the time of protest. See in this connection section 1 of the Bills of Exchange (Time of Noting) Act, 1917 (7 and 8 Geo. V, cap. 48).

Section 61.—This changes the law as to discharge. A renunciation must now be in writing.

Section 64.—This changes the law as to material alteration in a bill and was introduced in Committee to mitigate the rigour of the common law in favour of the holder in due course.

Section 74.—The rule in this section modifies the common law as to the time of presentment of cheques for payment.

Sections 91 to 95.—Are all new.

No. T-1218, dated 2nd October 1924.

From Chamber to Government of Bombay, Home Department.

With reference to your letter of the 14th July 1924, No, 5701-B and your subsequent reminder No. 5701-B, dated the 1st instant regarding the arrangement of law relating to the Negotiable Instruments on the lines of the English Bills of Exchange Act 1882, my Committee have gone carefully through all the suggested changes and have directed me to reply to you as below :—

2. My Committee beg to draw the attention of the Government to the fact that Sections 8 (1) and 8 (3) of the English Bills of Exchange Act have already been incorporated in the Indian Negotiable Instruments Act as Section 8 (1) is appearing as Section 13, and Section 8 (3) as Section 13, Explanation (2). Similarly Sections 61 and 74 of the English Act are incorporated already in the Indian Act and appear as Sections 90 and 84 respectively.

3. With regard to the rest of the suggested changes, my Committee approve of them and they may be incorporated in the Indian Negotiable Instruments Act.

APPENDIX 63.

RULES UNDER THE WORKMEN'S COMPENSATION ACT.

No. 4486-D., dated 9th April 1924.

From Government of Bombay, General Department, to Chamber.

Subject.—Workmen's Compensation Act. Rules under the—

I am directed by the Governor in Council to forward herewith a copy of this Government Resolution No. 4486, dated the 31st

March 1924 and accompaniments regarding draft rules* under the Workmen's Compensation Act and to request that you will be so good as to favour Government with the opinion of your Chamber on the proposed rules by the 15th May 1924. It is requested that the reply of your Chamber may be sent in duplicate, one copy to the Secretary to Government, General Department, and one copy to the Director, Labour Office, direct.

Government of Bombay, General Department, Resolution No. 4486, Bombay Castle, 31st March 1924.

Letter from the Government of India, Department of Industries and Labour, no. L.—859, dated the 17th March 1924:—

"I am directed to enclose 30 copies of the draft rules published by the Governor General in Council under section 34 of the Workmen's Compensation Act, 1923, in the *Gazette of India* of March 15th, 1924. The Government of India desire that wide publicity should be given to these draft rules and they will welcome all suggestions that may be received in this connection. I am directed to request that, with the permission of His Excellency the Governor in Council, copies of the draft rules may be forwarded to representative bodies of employers and to all who are likely to be in a position to make contributions of value in this connection.

"2. In accordance with the provisions of the Act, a period of three months has been allowed for filing objections and suggestions, but as the Act will come into force within a few days after the expiry of this period, I am to request that copies of opinions may be forwarded as soon as they are received and that, if possible, the views of the local Government may be communicated to the Government of India before the 1st June 1924."

Resolution.—Copies of the letter from the Government of India and accompaniments should be forwarded to the Remembrancer of Legal Affairs, the Commissioners of Divisions, the Commissioner

* Not printed here. Vide file No. R/45 of 1924

in Sind, the Collector of Bombay, the Collector of Sholapur, the Director of Industries, the Millowners' Association, Bombay, the Indian Merchants' Chamber, Bombay, the Chambers of Commerce, Bombay and Karachi, the European Textile Association, the Social Service League, the Trades Union Congress, the Kamgar Hitwardhak Sabha, the Agents, B. B. and C. I. and G. I. P. Railways, the Bombay Engineering Employers' Association, the Chairmen, Bombay, and Karachi Port Trusts, the shipping master, Bombay and the Superintendent of Telegraphs, Bombay Circle, and they should be requested to favour Government with their views on the draft rules as soon as possible preferably before the 15th May 1924.

2. The replies should be forwarded in duplicate, one copy to the Secretary, General Department, and one copy to the Director, Labour Office. The replies received in the General Department should be forwarded to the Government of India as soon as they are received and the Director, Labour Office, should be requested to favour Government with his views on the draft rules after considering the opinions expressed by the different officers and bodies.

3. A copy of the letter should also be forwarded to the Director of Information, and he should be requested to give wide publicity to it as desired by the Government of India. The draft rules have been published in the *Bombay Government Gazette*.

No. T-687, dated 17th June 1924.

From Chamber to Government of Bombay, General Department.

Subject.—Workmen's Compensation Act. Rules under the—

With reference to your letter No. 4486-D, dated the 9th April 1924 on the above subject, I am directed by my Committee to state that they have no views to offer.

APPENDIX 64

STATISTICS BILL FOR THE BOMBAY PRESIDENCY.

No. 4312, dated 19th August 1924.

From Offg. Director, Labour Office, to Chamber.

nder instructions of the Home Department of this Government I have the honour to send you two copies of "A Bill* to provide for the Collection of Statistical Information for Public Purposes" and to invite you to furnish me (for communication to Government) with the views of your Chamber generally on the subject matter of the Bill, or specifically on individual clauses of the Bill, showing what modifications, if any, you desire to suggest.

2. This Bill was published in the Bombay Government Gazette on the 30th of April 1924 and again in the Labonr Gazette for May 1924. It was introduced in the second session of the Bombay Legislative Council, which was held in Poona in July last The official text of the speeches made in that debate will shortly be forwarded to you in printed form.

3. Meanwhile, in view of the fact that the Bill has already been before the public for some time, and that reports of the discussion in the July session of the Council have appeared in the press, I am directed to say that Government hope that you will be able to send your reply to this communication before the 20th of September.

4. It is the intention of Government to introduce the Bill again for first reading at the third session of the Council which will be held in Poona in October.

* Vide page 417.

No. 5221, the 24th September 1924.

From Offg. Director, Labour Office, to Chamber.

Subject : – Statistics Bill.

In accordance with instructions received from the Secretary, Home Department, I have the honour to send herewith 10 copies of a draft of the Statistics Bill as tentatively modified by Government side by side with the original Bill as already communicated to you. The changes indicated by the proposed Bill in the right hand column have been made in the light of the debate in Council and of such public and private opinions as have reached Government so far. The principal effect of these changes is to define exactly what particular class of statistical information shall be called for and from what particular classes of persons. It is further arranged that if any statistics other than those specifically defined as ordinary statistics are required the notification must be preceded by the placing of the papers on the table of the Legislative Council thereby enabling any Member to file a resolution and obtain a discussion in the Council.

2. Government do not in any way bind themselves down to the modified Bill but would be glad of opinions on the same. I have to express the regret of Government for the short time given for the expression of these opinions but have to ask that you will, if possible, make it convenient to send in the views of your Chamber before the 4th October next.

Original Bill.

Bill No. XII of 1924.

A Bill to provide for the collection of statistical information for public purposes.

Whereas it is expedient to provide for the collection of statistical information for public purposes and whereas the previous sanction of the Governor General required by clause (*e*) of sub-section (3) of section 80A of the Government of India Act has been obtained for the passing of this Act; It is hereby enacted as follows:—

Short title.

1. (1) This Act may be called "The Bombay Statistics Act 192 ."

Extent and commencement.

2. (1) It extends to the whole of the Bombay Presidency.

(2) It shall come into operation on such date as may be fixed by the Governor in Council by notification in the *Bombay Government Gazette.*

Bill as modified.

Bill No. XII of 1924.

A Bill to provide for the collection of statistical information for public purposes.

Whereas it is expedient to provide for the collection of statistical information for public purposes and whereas the previous sanction of the Governor General required by clause (*e*) of sub-section (3) of section 80A of the Government of India Act has been obtained for the passing of this Act; It is hereby enacted as follows:—

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(2) It shall come into operation on such date as may be fixed by the Governor in Council by notification in the *Bombay Government Gazette.*

Definitions.

3. In this Act, unless there is anything repugnant in the subject or context—

(1) "Director" means the Director of the Labour Office of the Government of Bombay, and includes any person for the time being acting in that capacity.

(2) "Factory" means any building or place used for the purpose of manufacturing, treating, repairing or preparing any article,

(3) "Employer" includes

(*a*) any employer in any industry;

(*b*) the manager, overseer or other person for the time being acting for and on behalf of any employer.

(4) "Industry" includes

(*a*) any business, trade, undertaking or calling of employers;

(*b*) any calling, service, employment, handicraft or industrial occupation or avocation of employees; and

Definitions.

3. In this Act, unless there is anything repugnant to the context—

(1) "Statistician" means the Director of the Labour Office under the Government of Bombay as well as such other officer or officers of Government as shall be authorized from time to time by executive order to perform any or all of the functions assigned to the Statistician under the provisions of this Act.

(2) The word "Factory" bears the same meaning as in the Indian Factories Act XII of 1911 as amended by the Indian Factories Amendment Act, 1922 (II of 1922).

(3) "Industrial Establishment" means any premises wherein or within the precincts of which ten or more persons are employed on separate remuneration in any process for making, repairing, ornamenting, finishing or otherwise adopting for use, for transport or for sale, any article or part of an article or in any process for the production or transmission of physical forces.

(c) a branch of an industry or a group of industries.

(5) "Dwelling" means a building, tent or vessel whether permanent or temporary, which is wholly or partly used for the purpose of human habitation, and includes a vessel in any port of the Bombay Presidency.

(6) "Occupier" or "Person in Charge" includes every master, keeper, chief officer, or other person in actual charge of any jail, prison, hospital, or other public or charitable institution.

(7) "Shop" includes any store or place in or from which any articles are sold.

(8) "Owner" includes the manager or other person for the time being in charge of any factory, shop, or place of business.

(4) "Mercantile House" means any shop or office in which commercial transactions are conducted relating to all kinds of banking, import and export, sale or transfer of securities, and brokerage and agencies of all kinds, irrespective of the number of persons employed for the conduct of the business.

(5) "Trading Concern" means any person, firm or company which sells any goods, supplies any power, provides facilities for transport of persons or goods by land, air, or water, or offers any accommodation, meals, services, dramatic performances or other amusement or convenience to the public for money, and employs for the purposes of its business ten or more persons on separate remuneration.

Explanation. Any business, firm or company may fall under any two or more of the definitions contained in sub-sections (2) to (5) of this section.

(6) "Shop" means and includes any store or place in or from which any articles are sold.

Explanation. A shop may be also a Trading Concern.

(7) "Local Authority" means every Municipality, Local Board, Village Panchayat, or other corporate body established under any law for the time being in force in the Bombay Presidency for the purposes of Local Self-Government.

(8) "Employer" means,

(a) the Owner, Joint-owner, Agent, or Lessee of any Factory, Industrial Establishment, Mercantile House or Trading Concern.

(b) the manager or other person for the time being acting for and on behalf of such owner, joint-owner, agent or lessee.

(c) Any person, firm, company or corporation or the agent or lessee of such person, firm &c which employs at any time ten or more persons on separate remuneration otherwise than in a Factory or Industrial Establishment on any construction, excavation or other such manual labour, or on the

handling of goods in docks, warehouses and the like.

(*d*) The Manager or other person for the time being in charge of the labourers employed as aforesaid.

(*e*) The Commissioner, Chief Officer or Secretary of every Local Authority.

(*f*) All Departments and Offices under the Government of Bombay.

(9) "Employee" means any person engaged by any other person, whether permanently or temporarily to carry out any kind of work or service on any form of remuneration.

(10) "Trading Proprietor" means

(*a*) the Owner, Joint-owner, Agent, or Lessee of any Factory, Industrial Establishment, Trading Concern or Shop, and

(*b*) the manager or other person acting for the time being for and on behalf of such owner, joint-owner, agent or lessee.

Explanation. Any other person, firm or company may be both an Employer and a Trading Proprietor in respect to one and the same business.

(11) "Dwelling" means any building or structure whether permanent or temporary, which is used or is capable of being used as a human habitation.

(12) "Godown" means any building or structure, in which goods, conveyances or animals are stored or confined, or which is capable of being used for such purpose.

(13) "Landlord" means and includes the proprietor of any dwelling or godown, as well as the accredited agent or representative of such proprietor.

(14) "Trade Union"—means any combination or association of employees which is in existence at any time for the purpose of promoting or protecting the common interests of its members in their capacity of employees.

(15) "Association of Employers" means any combination of employers as defined in this

Act, which is in existence at any time for the purpose of promoting or protecting their common interests as Employers of Labour.

(16) "Exchange" means an association in or through which any merchants, brokers or traders carry on mutual commercial transactions of any kind according to definite rules and regulations.

Scope of the Statistics.

4. Subject to the provisions of this Act and the rules made thereunder statistics shall be collected for public purposes from time to time by the Director relating to all or any of the following matters :—

(1) prices of commodities and the cost of living ;

(2) rents of dwellings ;

(3) rates of wages and hours of labour ;

(4) employment and unemployment ;

5) industrial disputes ; and

(6) any other matter which the Governer in Council

Scope of the Statistics.

4. Subject to the provisions of this Act and of any Rules made thereunder the Statistician shall from time to time for public purposes collect statistics from the undermentioned persons and relating to the subjects shown against each.

(*a*) From Employers and associations of employers

relating to wages and other remunerations paid to employees; hours and conditions of labour housing of employees ; fines and penalties; absenteeism ; labour turnover ; health and comfort of employees.

may by notification in the Bombay Government Gazette prescribe.

Provided that no employer shall be compelled to supply to the Statistician any information which he may also be compelled by the Provisions of the Indian Factories Act 1911 as amended by the Indian Factories Act 1922 to supply to an Inspector of Factories.

(*b*) from Trading Proprietors and Exchanges

relating to the current or past market prices of all goods, securities, accommodation, services, exhibitions, recreations, power, or transport facilities supplied to customers.

(*c*) from Landlords

relating to the current or past rental of dwellings and godowns as well as to any other conditions on which such dwellings or godowns are leased, and whether such conditions are entered in written leases or not.

(*d*) from Trade Unions—

relating to membership, rules and accounts of the Union, and all subjects mentioned in Clause (*a*) of this Section.

Special Statistics.

5. The Governor in Council may from time to time direct by

Notification in the *Government Gazette* that any statistics relating to any matters other than those set forth in the last preceding section shall be collected under the provisions of this Act, either from the classes of persons set forth in the said section or from any other classes of persons.

Provided that no such notification shall be published until after a statement showing the special statistics which it is proposed to collect shall have been placed upon the table of the Legislative Council during one session, and no resolution shall have been accepted by the Council disallowing the collection of the said special statistics.

General limitation of statistics.

6. Except so far as is prescribed by section 4 of this Act, or shall from time to time be ordered by the Governor in Council under the provisions of the last preceding Section, no person or class of persons shall be called upon to furnish statistics under the provisions of this Act.

Publication of statistics.

5. Subject to the general or special orders of Government, the Director shall compile and tabulate the statistics so collected and may publish them or abstracts thereof with any observations he may deem proper to make thereon.

Preparing and filling up of forms.

6. For the purposes of sections 4 and 5 the Director may deliver to any person, employer, owner, occupier or person in charge a notice in such form as he considers necessary for obtaining any information required. Every person, employer, owner, occupier or person in charge to whom any such notice is delivered shall fill up the forms required by such notice to be filled up, or cause the same to be filled up, with the information required in the forms to the best of his knowledge, information and belief and shall, within the time prescribed in the notice, supply the informa-

Publication of statistics.

7. All statistics collected under the provisions of this Act shall be compiled and tabulated by the Statistician, and shall be published in such form as shall be from time to time prescribed by executive order. And the Statistician shall, together with the Statistical tables, publish such explanation or commentary on the same as is necessary for the interpretation and appreciation of the figures.

Preparing and filling up of forms.

8. For the purposes of sections 4 and 5 the Statistician may deliver to any employer, association of employers, Trading proprietor, exchange, landlord or Trade Union a notice in such form as he considers necessary, or (in the case of statistics called for in accordance with a notification under section V) in such form as the Governor in Council shall prescribe and every such employer, association of employers, trading proprietor, exchange, landlord or Trade Union to whom any such notice is delivered shall fill up the forms required by such notice to be filled up, or

tion required to the Director.

Access to records.

7. Every person who has the custody or charge of any Government records or documents other than records or documents of the Government of India and every person or local authority who has the custody or charge of any records or documents of any municipal or other public body or of any corporation from which information sought in respect of the objects of this Act can be obtained, or which would aid in the completion or correction thereof, shall grant to the Director or any other person deputed by the Director for that purpose in writing, access thereto for the obtaining of such information therefrom.

Authentication of forms.

8. Every form delivered or issued by the Director under this Act shall be sufficiently authenticated if the name of

cause the same to be filled up, with the information required in the forms to the best of his knowledge, information and belief, and shall, within the time prescribed in the notice, supply the information required to the Statistician.

Access to records.

9. Every person who has the custody or charge of any Government records or documents other than records or documents of Government of India and every person or local authority who has the custody or charge of any records or documents of any municipal or other public body or of any corporation from which information sought in respect of the objects of this Act can be obtained, or which would aid in the completion or correction thereof, shall grant to the Statistician or any person deputed by the Statistician for that purpose in writing, access thereto for the obtaining of such information therefrom.

Authentication of forms.

10. Every form delivered or issued by the Statistician under this Act shall be sufficiently authenticated if the name of the

the Director by whom it is delivered or issued has been printed or stamped thereon.

How forms may be issued.

9 For the purposes of this Act a notice shall be deemed to have been delivered to any person, employer, owner, occupier, or person in charge, if such notice shall have been personally delivered to such person, employer, owner, occupier, or person in charge by the Director or by his agent, or shall have been left at the usual or last known place of business or the usual or last known place of abode of such person, employer, owner, occupier, or person in charge, or if the same shall have been forwarded by post addressed to such person, employer, owner, occupier, or person in charge at his usual or last known place of business or at his usual or last known place of abode.

Statistician by whom it is delivered or issued has been printed or stamped thereon.

How forms may be issued.

11. For the purposes of this Act a notice shall be deemed to have been delivered

(*a*) to any Employer or Trading Proprietor if such notice shall have been personally delivered to such Employer or Trading Proprietor at his usual place of business or shall have been left at his usual place of business by the Statistician or any member of his office staff, or shall have been forwarded through the Post addressed to such Employer or Trading Proprietor at his usual or last known place of business.

(*b*) To landlords, if such notice shall have been personally delivered to such landlord by the Statistician or by any member of his office staff, or shall have been

left at or forwarded through the post to his usual place of residence or of business,

(c) To Trade Unions, associations of employers and Exchanges if such notice shall have been delivered to the Secretary or other officer of such Union, Association or Exchange, in the manner aforesaid at the usual Head Quarters of such Union, Association or Exchange, or left at or forwarded through the post to the usual Head Quarters of such Union, Association or Exchange addressed to the Secretary or other officer.

Power to enter factories etc.

10. For the purpose of making any enquiries or observations necessary for the proper carrying out of this Act the Director or any person authorised in this behalf by the Director in writing, may, at any reasonable hour between sunrise and sunset enter any factory, mine, building, shop, or place

Power to enter factories etc.

12. For the purpose of making any enquiries or observations necessary for the proper carrying out of this Act the Statistician or any person authorised in writing in this behalf by the Statistician, may, at any reasonable hour between sunrise and sunset enter any Factory or Industrial Establishment or the

where persons are employed or where articles are sold or bartered, and may make such enquiries as are necessary to any investigation.

Penalty for refusing or neglecting to supply information etc.

11. Any person, employer, owner, occupier, or person in charge, who

(1) refuses or wilfully neglects to fill or cause to be filled up a form required to be filled up by a notice duly delivered to him as aforesaid; or

(2) inserts or permits to be inserted in such form any information known by him to be false or which he does not believe to be true; or

(3) refuses or wilfully neglects within the time prescribed in the form to return the form duly filled up to the Director or to any person employed on his behalf to collect or receive the same; or

usual place of business of employers referred to in sub clause 8 (c) of section 3 or into any shop or the usual place of business of any Mercantile House or Trading Concern, or the Head Quarters of any Trade Union and may make such enquiries as are necessary to any investigation.

Penalty for refusing or neglecting to supply information etc.

13. Any Employer, Association of Employers, Trading Proprietor, Exchange, Landlord or Trade Union who

(1) refuses or wilfully neglects to fill or cause to be filled up a form required to be filled up by a notice duly delivered to him as aforesaid; or

(2) inserts or permits to be inserted in such form any information known by him to be false or which he does not believe to be true; or which he knows to be irrelevant to the enquiry, or

(3) refuses or wilfully neglects within the time prescribed in the form to return the form duly filled up to the statistician or to any person employed

(4) refuses to grant to the Director or to any other person deputed by the Director for that purpose in writing access to records in accordance with section 7; or

(5) refuses the Director or any officer authorised in writing by the Director such entry on or access to any land or premises as by this Act the Director or such officer is entitled to have, or obstructs or hinders the Director or such officer in the performance of his duties as such; or

(6) wilfully refuses to answer to the best of his knowledge and belief any question asked by the Director or by any officer deputed by the Director for that purpose which he may lawfully be required to answer, or makes a false answer to such question, knowing the answer to be false, shall be punished for each such offence with simple imprisonment which may extend to six months or with fine which may extend to Rs. 1,000 or with both.

Prohibition against publishing individual returns.

12. No individual return or

on his behalf to collect or receive the same; or

(4) refuses to grant to the statistician or to any other person deputed by the statistician, for that purpose in writing access to records in accordance with section 7; or

(5) refuses the Statistician or any officer authorised in writing by the Statistician such entry on or access to any land or premises as by this Act the Statistician or such officer is entitled to have, or obstructs or hinders the Statistician or such officer in the performance of his duties as such; or

(6) wilfully refuses to answer to the best of his knowledge and belief any question asked by the Statistician or by any officer deputed by the Statistician for the purpose which he may lawfully be required to answer, or makes a false answer to such question, knowing the answer to be false, shall be punished for each such offence with fine which may extend to five hundred rupees.

Prohibition against publishing individual returns.

14. No individual return or

part of an individual return, made, and no answer to any question put, for the purposes of this Act shall, without the previous consent in writing of the person, employer, owner, occupier, or person in charge for the time being of the undertaking or dwelling in relation to which the return or answer was made or given, be published, nor, shall any person not engaged in an inquiry instituted by the Director as prescribed under this Act be permitted to see any such individual return or any part of an individual return; and no report, summary, statistics or publication issued by the Director shall contain any of the particulars comprised in any individual return, so arranged as to enable any person to identify any particulars so published as being particulars relating to any individual person or business.

Penalty for divulging information and misconduct.

13. Any person engaged in the collection, tabulation, compilation or publication of returns or information required

part of an individual return, made, and no answer to any question put, for the purposes of this Act shall, without the previous consent in writing of the person responsible for the making of the return or the answering of the question be published, nor, shall any person not engaged in an enquiry instituted by the Statistician as prescribed under this Act be permitted to see any such individual return or any part of an individual return; and so far as relates to Employers, Associations of employers, Trading Proprietors, Exchanges and landlords no report, summary, statistics or publication issued by the Statistician shall contain any of the particulars comprised in any individual return, so arranged as to enable any person to identify any particulars so published as being particulars relating to any individual employer, Association of Employers, Trading Proprietor, Exchange or Landlord.

Penalty for divulging information and misconduct.

15. Any person engaged in the collection, tabulation, compilation or publication of returns or information required

under this Act who

(1) puts an offensive or improper question to any person; or

(2) shall not keep inviolate the secrecy of the information gathered from or entered on any form filled up as required under this Act, or shall divulge any information contained in any statement, returns, accounts, document, deposition or record obtained by him or who seeks to obtain or obtains in the pretended performance of his duties information which he is not duly authorised to obtain shall be punished for each such offence with simple imprisonment which may extend to six months or with fine which may extend to Rs. 1,000 or with both.

Inadmissibility in legal proceedings.

14. Save in the case of a prosecution under this Act no return made in pursuance of any of the requirements or provisions of this Act shall be admissible in evidence in any civil, Revenue or criminal court.

under this Act who

(1) puts an offensive or improper question to any person; or

(2) shall not keep inviolate the secrecy of the information gathered from or entered on any form filled up as required under this Act, or who shall divulge any information contained in any statement, return, accounts, document, deposition or record obtained by him or who seeks to obtain or obtains in the pretended performance of his duties information which he is not duly authorised to obtain shall be punished for each such offence with simple imprisonment which may extend to six months or with fine which may extend to Rs. 1,000 or with both.

Inadmissibility in legal proceedings.

16. Save in the case of a prosecution under this Act no return made in pursuance of any of the requirements or provisions of this Act shall be admissible in evidence in any civil, Revenue or criminal court.

Procedure.

15. (1) No prosecution shall be instituted under this Act except with the previous sanction of Government.

(2) All offences against this Act shall be triable by the Court of a Presidency Magistrate or of a Magistrate of the first class.

Power to make rules.

16. (1) The Governor in Council may make rules for the purpose of carrying into effect the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for

(*a*) prescribing the particulars and information to be furnished in relation to any matter in respect of which statistics may be collected under this Act;

(*b*) prescribing the manner and form in which, the times and places at which, and the persons by whom and to whom such particulars and in-

Procedure.

17. (1) No prosecution shall be instituted under this Act except with the previous sanction of Government.

(2) All offences against this Act shall be triable by the Court of a Presidency Magistrate or of a Magistrate of the first class.

Power to make rules.

18. (1) The Governor in Council may make rules for the purpose of carrying into effect the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for

(*a*) prescribing the particulars and information to be furnished in relation to any matter in respect of which statistics may be collected under this Act;

(*b*) prescribing the manner and form in which, the times and places at which, and the persons by whom and to whom such particulars and in-

formation shall be furnished.

Commencement of rules.

17. Rules made under section 16 shall be published in the *Bombay Government Gazette* and shall thereupon have effect as if enacted in this Act.

formation shall be furnished.

Commencement of rules.

19. Rules made under section 18 shall be published in the *Bombay Government Gazette* and shall thereupon have effect as if enacted in this Act.

No. T-1226, dated 3rd October 1924.

From Chamber to Officiating Director, Labour Office.

I am directed to send hereby views of the Committee of this Chamber with reference to a Bill to provide for the collection of statistical information for public purposes sent along with your letter of the 19th August 1924, No. 4312, as also to reply to your letter of the 24th September 1924, No. 5221, enclosing a copy of a Draft of the Statistics Bill as tentatively modified by Government.

My Committee may be permitted to say at the outset that they are strongly opposed to having this Bill moved in the Bombay Legislative Council. They think that the Bill is of an All-India nature and the right place for its being moved and passed is the Legislative Assembly and not any Provincial Council. The Trade Disputes Bill has been prepared by the Government of India and circularised by them to different Local Governments and public bodies for their opinion. The Statistics Bill is closely allied to the Trade Disputes Bill and there does not appear any reason why the former should be a Provincial measure while the latter becomes an All-India enactment. Looking even to the Resolution No. 13 of the Imperial Statistical Conference which met in London in 1920, my Committee are led to believe that the Conference intended that Statistical legislation should be passed for the country as a whole

and that it should not be left to different provinces to have different enactments. If such statistical enactments are to have any value they must be All-India measures, as otherwise several discrepancies and disparities would creep in.

My Committee have gone through all the clauses of the Bill and make the following suggestions with regard to them. These suggestions may be forwarded to the Government of India for incorporation in any All-India Statistical Bill which they may prepare if my Committee's suggestion is accepted. My Committee understand that an informal Committee to which reference was made by the Hon. Sir Maurice Hayward in his speech in the Bombay Legislative Council on the 23rd July 1924 is now appointed and beg to suggest that they should be adequately represented on it. Suggestions which are made by my Committee herein will, it is hoped, be placed before this informal Committee and their recommendations may afterwards be sent to the Government of India and other public bodies. In case, however, the Government of Bombay and the Bombay Legislative Council decide to proceed with this legislation in the Bombay Legislative Council, the suggestions made herein may kindly be considered as applying to the Provincial legislation also and wherever there are any references to the Legislative Assembly or the Gazette of India or the Governor-General-in-Council, they should be understood as references to the Bombay Legislative Council, the Provincial Gazette and the Governor-in-Council:

Preamble: My Committee suggest that the words "for the settlement of labour disputes" may be substituted for the words "for public purposes" as the latter expression is rather vague and general.

Clause 3. (1). The following shall be substituted:

"Director" means the Director of the Labour Office of the Government of Bombay and includes any person for the time being acting in that capacity"; and the word "Statistician" wherever it occurs in the Bill should be substituted by the word "Director".

Clause 3. (*11*). The words "for the purposes of the habitation of factory workmen" should be substituted for the words "as a human habitation,"

Clause 3. (4), (5), (6), (10), (13) and (16) should be deleted.

Clause 3. (8) (*a*): the words "mercantile house or trading concern" should be deleted.

Clause 4: the words "for the purposes of this Act" should be substituted for the words "for public purposes".

Clause 4. (*b*) & (*c*): should be deleted.

Clause 7: all the words after "such explanation" should be deleted.

Clause 11. (*a*): the words "or Trading Proprietor" should be deleted and the word "Registered" should be prefixed to the word "post".

Clause 11. (*b*): should be deleted.

Clause 11. (*c*): the word "Exchanges" should be deleted and the word "Registered" should be prefixed to the word "post".

Clause 12: the whole clause should be deleted as my Committee are strongly against any statutory powers being given to any officials or subordinates to enter factories, etc.

Clause 13. (4), (5) & (6): should be deleted as these relate to the officials or their representatives entering factories to which my Committee are opposed.

Clause 14: the words "in writing" should be placed after the word "put" occuring in the third line.

My Committee suggest that an Advisory Board consisting of representatives of the principal commercial bodies should be established to advise the Director of Labour with regard to all such questions as may arise from the operation of this Bill when it comes into effect as an Act.

Clause 17. (1): This clause should read thus: "No prosecution shall be instituted under this Act without the previous approval of the Advisory Board and the sanction of Government."

Clause 18. Should read thus:

"Rules and regulations to be made under the Act should be circulated to public bodies and published in the Gazette of India and Provincial Gazettes and placed on the table at the First session of the Legislative Assembly after they are prepared and if there is no change or amendment suggested, shall have effect at the expiry of three months."

It should be enacted that whenever any party feels dissatisfied with any decision of the Director of Labour office an appeal shall lie to the Governor-General-in-Council.

APPENDIX 65.

TRADE UNION LEGISLATION.

No. 5096 of 19th September, 1924.

From Offg. Director, Labour Office, Bombay

to Chamber

Subject:—Trade Union Legislation.

Under instructions from the Home Department of this Government I have the honour to send you a copy of a letter from the Govern-

ment of India, Department of Industries and Labour No. L. 925 dated the 30th August 1924 together with a copy of a Bill to Provide for the registration of Trade Unions and in certain respects to define the law relating to Trade Unions in British India; and to request you to furnish me (for communication to Government) with the views of your Chamber generally on the subject matter of the Bill, or specifically on individual clauses of the Bill showing what modifications, if any, you desire to suggest. I am to request you to send me the statement of your views not later than the 20th October 1924.

No. L.-925, dated 30th August 1924.

From Government of India, Department of Industries and Labour to all Local Governments etc.

Subject:—Trade Union Legislation.

I am directed to refer to this Department's letter No. L-925, dated the 12th September 1921, and to the reply sent by your Government to it. The Government of India have now examined the replies received to that letter from Local Governments and the numerous opinions expressed by employers' and workers' associations throughout the country. They have already, in the Legislative Assembly, assented to the view that a measure of the kind now under discussion should be introduced in the Central Legislature, and the Trade Union Bill enclosed has accordingly been prepared, after consideration of the replies and opinions received, with a view to introduction in the Legislative Assembly. It is not intended in this letter to discuss in detail the provisions of the draft bill, but I amdesired to make the following remarks on some of its principal features.

2, In paragraph 15 of Mr. Chatterjee's letter referred to above the Government of India suggested that the registration of Trade Unions should be optional and not compulsory. This is a question

on the settlement of which the whole character of the Bill depends The replies of Local Governments exhibit an acute division of opinion on the point but, in the view of the Government of India, optional registration affords the only sound basis for legislative action. The main anxiety of many of the advocates of compulsory registration appears to be to place restrictions on trade unions. But the object which the Government of India have consistently had in mind has been to grant to trade unions a position in the eyes of the law which shall be at once definite and privileged, and while such a position must be attended by limitations in the interests not only of the body politic but of trade union members themselves, it appears to the Government of India to be as unnecessary as it would be unwise to impose general restrictions on combinations for trade purposes. Compulsion necessarily involves penalties for evasion, and if registration is to be compulsory, an attempt must be made to ensure that those who fail to register are suitably punished. This would mean the introduction of legislation on lines attempted in England a century ago, but long abandoned there and now generally regarded as inequitable and unjust. The Government of India have therefore reached the conclusion that registration must be optional, and that trade unions should be given every reasonable inducement to register. They propose, accordingly, to confine the privileges conferred by the Act to registered unions. Unregistered unions will be left both as regards privileges and obligations, in their present position.

3. In addition, therefore, to making provision for the registration of trade unions, the Bill aims at conferring upon registered trade unions certain definite privileges. These privileges include a considerable measure of immunity from civil suits and criminal prosecutions directed against trade unions and their members. Under the existing law, officers and members of a trade union who, in order to further a strike, induce workmen to break their contracts with their employers can be sued in the Civil Courts and may in certain circumstances be liable to criminal prosecution. The Bill now drafted protects them from these risks. As regards immunity from criminal prosecution, the only question is that of conferring protection from the law relating to conspiracy. This has been effected

by the introduction of a clause modifying the operation of section 120-B of the Indian Penal Code in respect of trade unions and their officers and members. Clause 17 (1), which is taken from section 3 of the British Trade Disputes Act, 1906, gives protection from civil suits. The Government of India consider it necessary also to modify the operation of the law of agency, in such a manner as to give Trade Union funds some protection from liability for tortious acts committed by persons acting on their behalf. Clause 17 (2) which has been inserted in the Bill with this object follows the lines suggested in paragraph 26 of this Department's letter No L 925 of 12th September 1921. While some replies have criticized this proposal on the ground that it confers too large a measure of immunity on Trade Unions, a few replies, which favour the adoption of section 4 (1) of the British Trade Disputes Act of 1906, have expressed the view that the clause does not go far enough. The proposal embodied in the draft Bill has received a large measure of support and in the opinion of the Government of India will command general acceptance.

4. The question of the extent to which aggreement between members of a trade union should be enforceable was touched upon in paragraphs 9 and 10 of this Department's letter No. L-925, of 12th September 1921. The provisional views of the Government of India, after considering the replies received, are embodied in clause 18 of the draft Bill, which represents a compromise between extreme views. The effect of this clause, if adopted, will be that while members of a trade union could not be forced by a suit to strike or to refuse to strike, or to accept any agreed conditions of work, agreements such as those regarding the payment of benefits under the trade union rules will be enforceable in the Civil Courts.

5. It will be observed that no direct restrictions have been placed in the draft Bill on the objects which a trade union may pursue. It will, of course, be within the discretion of the registrar to refuse registration to an organization which does not propose to include *bona fide* trade union objects, as the privileges conferred on

trade unions cannot be extended to any organization which chooses to claim that title. But while a trade union can include among its objects aims not strictly germane to trade unionism, care has been taken to prevent the dissipation of trade union funds on such objects. The question of the inclusion of political objects among those upon which funds can be expended has received careful consideration, and following the great majority of the replies received, the Government of India have decided to exclude such objects from the list. This will not prevent trade unions or their leaders from advocating political policies, but it will ensure that funds contributed primarily for trade union purposes are not expended on causes in which the bulk of the members have little interests. If any sections of employers or employed wish to form an organization for political purposes, and to raise subscriptions for that purpose, there is nothing to prevent their doing so, but there appears to be no strong reason for conferring in such cases privileges designed to protect organizations of an essentially different type.

6. It is of importance, if trade unions are to develop along healthy lines, that the interests of the members should be adequately safeguarded. It is essential therefore that those who join and who subscribe to such associations should have some guarantee that their rights and their investments will be properly protected. In the case of other corporate bodies recognized by law, precautions are taken to ensure that the members and the public are placed in possession of adequate information regarding their financial transactions. The fact that the average worker in this country is ill-educated increases the necessity for such precautions in the case of trade unions. Provision is accordingly made for a regular audit of the funds of the union. The Government of India are convinced that those who are honestly endeavouring to forward the trade union movement in this country will welcome such a provision.

7. But the interests of the members in their own unions should not be purely financial. No trade union, however sound its financial position, can be regarded as healthy which is not supported by the active interest of the members in its affairs. Trade Unionism is based on democratic ideals and a union which is conducted on behalf of the

workers by men who have no share in their work or their position loses one of the essential features of trade unionism. The men conducting it may be animated by the highest motives and controlled by principles of integrity and unselfishness, but if they endeavour to control rather than to guide the union, they run the risk of converting it from a trade union into a philanthropic society. At the same time, the Government of India cannot accept the view of those who suggest that participation in the organization of a union should be confined to those working in the industry concerned. Few workmen in Indian industry have the education necessary for the complete control of a union, and it has been shown on more than one occasion that the fear of victimization which is partly responsible for the presence of the "outsider" in trade unions is not altogether unjustified. The Government of India have therefore reached the conclusion that it would be unwise to exclude outsiders from the executive of a union, but that in the interests of trade unions themselves, a majority of the executive should belong to the industry concerned. This will not of course necessarily ensure that the workers exercise effective control of the executive, but it will assist in securing to a certain number of workers an education in trade union methods, and it may give the members generally a knowledge of and an interest in the union's affairs, of which they might otherwise be deprived.

8. In conclusion, I am to refer to the subject of picketing. In their previous letter, the Government of India discussed the possibility of making the executive of trade unions responsible for the prevention of the issue of orders authorizing picketing in any form. This suggestion has received some support, but the objections to it appear to have considerable force. The experience of the last few years has not revealed any urgent necessity for imposing a general restriction on picketing. Those trade unionists who are willing to confine picketing to systematic persuasion would have reason to resent further limitations on their powers; those in whose hands it degenerates into intimidation can be dealt with by the ordinary criminal law. Provisionally, therefore, the Government of India have decided to include no provisions relating to picketing.

9. In conclusion, I am to state that the Government of India are anxious that full publicity should be given to the proposals now made. They are themselves taking steps to publish this letter and the draft bill in the press, and it is their intention to introduce the bill in the Legislative Assembly, with any modifications that may be rendered necessary by the criticisms received, in the ensuing Delhi Session. I am, therefore, to request that the views of the Local Government may be sent so as to reach the Government of India not later than the 30th November 1924. The Government of India recognize that the time allowed for the consideration of a measure of this kind is very short, but the subject has already been freely canvassed since the issue of this Department's letter of the 12th September 1921, and the Government of India earnestly hope therefore that it may be possible to give a considered opinion within the time fixed.

A Bill to Provide for the registration of Trade Unions and in certain respects to define the law relating to registered Trade Unions in British India.

Whereas it is expedient to provide for the registration of Trade Unions and in certain respects to define the law relating to registered Trade Unions in British India; It is hereby enacted as follows:—

CHAPTER I.

Preliminary.

Short title, extent and commencement.

1. (*1*) This Act may be called the Indian Trade Unions Act, 192 .

(*2*) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(*3*) It shall come into force on such date as the Governor General in Council may, by notification in the Gazette of India, appoint.

Definitions.

2. In this Act, unless there is anything repugnant in the subject or context,—

(*a*) "executive" means the body, by whatever name called, to which the management of the affairs of a Trade Union is entrusted;

(*b*) "officer", in the case of Trade Union, includes any member of the executive thereof, but does not include an auditor;

(*c*) "prescribed" means prescribed by regulations made under this Act;

(*d*) "registered office" means that office of a Trade Union which is registered under this Act as the head office thereof;

(*e*) "registered Trade Union" means a Trade Union registered under this Act;

(*f*) "Registrar" means a Registrar of Trade Unions appointed by the Local Government under section 3, and "the Registrar", in relation to any Trade Union, means the Registrar appointed for the province in which the head or registered office, as the case may be, of the Trade Union is situated;

(*g*) "trade dispute" means any dispute between employers and workmen or between workmen and workmen or between employers and employers which is connected with the employment or non-employment, or the terms of employment or the conditions of labour, of any person; and

(*h*) "Trade Union" means any combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen or between

employers and employers and includes any federation of two or more Trade Unions.

CHAPTER II.

Registration of Trade Unions.

Appointment of Registrars.

3. Each Local Government shall appoint a person to be the registrar of Trade Unions for the Province.

Mode of Registration.

4. Any seven or more members of a Trade Union may, by subscribing their names to the rules of the Trade Union and by otherwise complying with the provisions of this Act with respect to registration, register the Trade Union under this Act.

Application for registration.

5. (*1*) Every application for registration of a Trade Union shall be made to the Registrar and shall be accompanied by a statement of the following particulars, namely :—

(*a*) the names of the members making the application;

(*b*) the name of the Trade Union and the address of its head office;

(*c*) a list of the titles, names, and occupations of the officers of the Trade Union;

(*d*) a copy of the rules of the Trade Union; and

(*e*) such further particulars as may be prescribed.

(*2*) Where a Trade Union has been in existence for more than one year before the making of an application for its registration, there shall be delivered to the Registrar, together with the application, a general statement of the assets of the Trade Union and of

all receipts and expenditure of the Trade Union during the preceding year, prepared in such form and containing such particulars as may be prescribed.

Provisions to be contained in the rules of a Trade Union.

6. A Trade Union shall not be entitled to registration under this Act, unless the executive thereof is constituted in accordance with the provisions of this Act and the rules thereof provide for the following matters, namely :—

(*a*) the name of the Trade Union ;

(*b*) the whole of the objects for which the Trade Union has been established ;

(*c*) the whole of the purposes for which the funds of the Trade Union shall be applicable, all of which purposes shall be purposes to which such funds are lawfully applicable under this Act ;

(*d*) the maintenance of a list of the members of the Trade Union ;

(*e*) the conditions under which any member shall be entitled to any benefit assured by the rules and under which any fine or forfeiture may be imposed on the members ;

(*f*) the manner in which the rules shall be amended, varied or rescinded ;

(*g*) the manner in which the members of the executive and the other officers of the Trade Union shall be appointed and removed, and the scales of salary, allowances and expenses to which they shall respectively be entitled ;

(*h*) the safe custody of the funds of the Trade Union and an annual audit, in such manner as may be prescribed, of the accounts thereof ;

(*i*) the right of every officer and member of the Trade Union to inspect, by himself or by some person authorised by

him in writing in this behalf, the account books of the Trade Union and the list of the members thereof; and

(*j*) the manner in which the Trade Union may be dissolved.

Power to call for further particulars

7. (*1*) The Registrar may, for the purpose of satisfying himself that any application complies with the provisions of section 5 or that the Trade Union is entitled to registration under section 6, call for such further information as he thinks fit, and may refuse to register the Trade Union until such information is supplied.

(*2*) If the name under which a Trade Union is proposed to be registered is identical with that by which any other existing Trade Union has been registered or, in the opinion of the Registrar, so nearly resembles such name as to be likely to deceive the public or the members of either Trade Union, the Registrar shall require the persons applying for registration to alter the name of the Trade Union stated in the application, and shall refuse to register the Union until such alteration has been made.

Registration.

8. The Registrar, on being satisfied that the Trade Union has complied with all the requirements of this Act in regard to registration, shall register the Trade Union by entering in a register, to be maintained in such form as may be prescribed, the particulars relating to the Trade Union contained in the statement accompanying the application for registration.

Certificate of registration.

9. The Registrar, on registering a Trade Union under section 8, shall issue a certificate of registration in the prescribed form which shall be conclusive evidence that the Trade Union has been duly registered under this Act.

Cancellation of registration.

10. A certificate of registration of a Trade Union may be withdrawn or cancelled by the Registrar—

(*a*) on the application of the Trade Union to be verified in such manner as may be prescribed, or

(*b*) if the Registrar is satisfied that the certificate has been obtained by fraud or mistake or that the Trade Union has ceased to exist or has wilfully contravened any provision of this Act or allowed any rule to continue in force which is inconsistent with any such provision or rescinded any rule providing for any matter provision for which is required by section 6:

Provided that not less than two months' previous notice in writing specifying the ground on which it is proposed to withdraw or cancel the certificate shall be given by the Registrar to the Trade Union before the certificate is withdrawn or cancelled otherwise than on the application of the Trade Union.

Appeal.

11. Any person aggrieved by any refusal of the Registrar to register a Trade Union or by the withdrawal or cancellation of a certificate of registration may, within such period as may be prescribed, appeal to the Local Government or to such authority as it may appoint in this behalf.

Registered office.

12. All communications and notices to a registered Trade Union may be addressed to its registered office. Immediate notice of any change in the address of the head office shall be given to the Registrar, and the changed address shall be recorded in the register referred to in section 8.

Incorporation of registered Trade Unions.

13. Every registered Trade Union shall be a body corporate by the name under which it is registered and shall have perpetual succession and a common seal with power to acquire and hold both moveable and immoveable property and to contract, and shall by the said name sue and be sued.

Certain Acts not to apply to registered Trade Unions.

14. The following Acts, namely:—

(*a*) The Societies Registration Act, 1860.

(*b*) The Co operative Societies Act, 1912.

(*c*) The Provident Insurance Societies Act, 1912.

(*d*) The Indian Life Assurance Companies Act, 1912, and

(*e*) The Indian Companies Act, 1913,

shall not apply to any registered Trade Union, and the registration of any such Trade Union under any such Act shall be void.

CHAPTER III.

Rights and Liabilities of registered Trade Unions.

Objects on which funds may be spent.

15. The funds of a registered Trade Union shall not be spent on any other objects than the following, namely :—

(*a*) the payment of salaries, allowances and expenses to officers of the Trade Union ;

(*b*) the payment of expenses for the administration of the Trade Union, including audit of the accounts of the Trade Union ;

(*c*) the prosecution or defence of any legal proceeding to which the Trade Union or any member thereof is a party, when such prosecution or defence is undertaken for the purpose of securing or protecting any rights of the Trade Union as such or any rights arising out of the relations of any member with his employer or with a person whom he employs ;

(*d*) the conduct or furtherance of trade disputes on behalf of the Trade Union or any member thereof ;

(*e*) the compensation of members for loss arising out of trade disputes;

(*f*) allowances to members or their dependants on account of death, sickness or unemployment of such members;

(*g*) the insurance of members against death, sickness or unemployment;

(*h*) the provision of educational, social or religious benefits for members, including the payment of the expenses of funeral or religious ceremonies for deceased members or for the dependants of members; and

(*i*) the upkeep of a periodical published mainly for the purpose of discussing questions affecting employers or workmen as such.

Criminal conspiracy in Trade disputes.

16. No officer or member of a registered Trade Union shall be liable to punishment under subsection (2) of section 120B of the Indian Penal Code, in respect of any agreement made between the members for the purpose of furthering any such object of the Trade Union as is specified in section 15, unless the agreement is an agreement to commit an offence.

Immunity from civil suit in certain cases.

17. (1) No suit or other legal proceeding shall be maintainable in any Civil Court against any officer or member of a registered Trade Union in respect of any act done by him in contemplation or furtherance of a trade dispute on the ground only that such act induces some other person to break a contract of employment or that it is in interference with the trade, business or employment of some other person or with the right of some other person to dispose of his capital or of his labour as he wills.

(2) No suit or other legal proceeding shall be maintainable in any Civil Court against a registered Trade Union in respect of any

act done in contemplation or furtherance of a trade dispute by any person acting on behalf of the Trade Union, if it is proved that such person acted without the knowledge of, or contrary to express instructions given by, the executive of the Trade Union and that the executive has repudiated such act at the earliest opportunity and by all reasonable means and with reasonable publicity.

Enforceability of agreements.

18. Notwithstanding anything contained in any other law for the time being in force, an agreement between the members of a registered Trade Union shall not be void or voidable merely by reason of the fact that any of the objects of the agreement are in restraint of trade:

Provided that nothing in this section shall enable any Civil Court to entertain any legal proceeding instituted for the express purpose of enforcing or recovering damages for the breach of any agreement concerning the conditions on which any members of a Trade Union shall or shall not sell their goods, transact business, work, employ or be employed.

Rights of minors to membership of Trade Unions.

19. Any person who has attained the age of fifteen years may be a member of a registered Trade Union subject to any rules of the Trade Union to the contrary, and may, subject as aforesaid, enjoy all the rights of a member and execute all instruments and give all acquittances necessary to be executed or given under the rules:

Provided that no person who has not attained the age of eighteen years shall be an officer of any such Trade Union.

Majority of officers to be connected with the industry.

20. A majority of the total number of the officers of every registered Trade Union shall be persons actually engaged or employed in the industry with which the Trade Union is connected.

Change of names.

21. Any registered Trade Union may, with the consent of not less than two-thirds of the total number of its members, change its name.

Amalgamation of Trade Unions.

22. Any two or more registered Trade Unions may become amalgamated together as one Trade Union with or without dissolution or division of the funds of such Trade Unions or either or any of them, provided that the votes of at least one-half of the members of each or every such Trade Union entitled to vote are recorded, and that at least sixty percent. of the votes recorded are in favour of the proposal.

Notice of change of name or amalgamation.

23. Notice in writing of every change of name and of every amalgamation, signed, in the case of a change of name, by seven members and by the Secretary of the Trade Union changing its name, and, in the case of an amalgamation, by seven members and by the Secretary of each and every Trade Union which is a party thereto shall be sent to the Registrar who shall, if he is satisfied that the provisions of this Act in respect of change of name or of amalgamation, as the case may be, have been complied with and, in the case of an amalgamation, that the Trade Union formed thereby is entitled to registration under section 6,—

(*a*) register the change of name in the register referred to in section 8, or

(*b*) register the Trade Union in the manner provided in that section,

and the change of name or amalgamation shall have effect from the date of such registration.

Effects of change of name and of amalgamation.

24. (*1*) The change in the name of a registered Trade Union shall not affect any rights or obligations of the Trade Union, or render defective any legal proceeding by or against the Trade Union, and any legal proceeding which might have been continued or commenced by or against it by its former name may be continued or commenced by or against it by its new name.

(*2*) An amalgamation of two or more registered Trade Unions shall not prejudice any right of any of such Trade Unions or any right of a creditor of any of them.

Dissolution.

25. When a registered Trade Union is dissolved, notice of the dissolution signed by seven members and by the Secretary of the Trade Union shall, within fourteen days of the dissolution, be sent to the Registrar, and shall be registered by him if he is satisfied that the dissolution has been effected in accordance with the rules of the Trade Union, and the dissolution shall have effect from the date of such registration.

Returns.

26. (*1*) There shall be sent annually to the Registrar, on or before such date as may be prescribed, a general statement, audited in the prescribed manner, of all receipts and expenditure of every registered Trade Union during the year ending on the 31st day of March next preceding such prescribed date, and of the assets of the Trade Union existing on such 31st day of March. The statement shall be prepared in such form and shall comprise such particulars as may be prescribed.

(*2*) Together with the general statement there shall be sent to the Registrar a statement showing all changes of officers made by the Trade Union during the year to which the general statement refers, together also with a copy of the rules of the Trade Union corrected up to the date of the despatch thereof to the Registrar.

(*3*) A copy of every alteration made in the rules of a registered Trade Union shall be sent to the Registrar within ten days of the making of the alteration.

CHAPTER IV.

Regulations.

Power to make regulations.

27. (*1*) The Governor General in Council may make regulations for the purpose of carrying into effect the provisions of this Act.

(*2*) In particular and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely,

(*a*) the manner in which Trade Unions and the rules of Trade Unions shall be registered;

(*b*) the transfer of registers in the case of any registered Trade Union which has changed its head office from one province to another;

(*c*) the manner in which and the persons by whom the accounts of registered Trade Unions shall be audited;

(*d*) the conditions subject to which inspection of documents kept by Registrars shall be allowed and the fees which shall be chargeable in respect of such inspections; and

(*e*) any matter which is to be or may be prescribed.

Publication of regulations.

28. (*1*) The power to make regulations conferred by section 27 is subject to the condition of the regulations being made after previous publication.

(*2*) The date to be specified in accordance with clause (*3*) of section 23 of the General clauses Act, 1897, as that after which a draft of regulations proposed to be made will be taken into consideration shall not be less than three months from the date on which the draft of the proposed regulations was published for general information.

(*3*) Regulations so made shall be published in the Gazette of India, and, on such publication, shall have effect as if enacted in this Act.

CHAPTER V.

Penalties and Procedure.

Failure to submit notices or returns.

29. (*1*) If default is made on the part of any registered Trade Union in giving any notice or sending any statement or other document as required by or under any provision of this Act, every officer or other person bound by the rules of the Trade Union to

give or send the same, or, if there is no such officer or person every member of the executive of the Trade Union, shall be punishable with fine which may extend to five rupees and, in the case of a continuing default, with an additional fine which may extend to five rupees for each week after the first during which the default continues.

(2) Any person, who wilfully makes, or causes to be made, any false entry in, or any omission from, the general statement required by section 26 or in or from any copy of rules or of alterations of rules sent to the Registrar under that section, shall be punishable with fine which may extend to five hundred rupees.

Supplying false information regarding Trade Unions.

30. Any person, who, with intent to deceive gives to any member of a registered Trade Union or to any person intending or applying to become a member of such Trade Union any document purporting to be a copy of the rules of the Trade Union or of any alterations to the same which he knows, or has reason to believe, is not a correct copy of such rules or alterations as for the time being in force, or any person who, with the like intent, gives a copy of any rules of an unregistered Trade Union to any person on the pretence that such rules are the rules of a registered Trade Union, shall be punishable with fine which may extend to two hundred rupees.

Cognizance of offences.

31. (1) No Court inferior to that of a Presidency Magistrate or a Magistrate of the first class shall try any offence under this Act.

(I) No Court shall take cognizance of any offence under this Act, unless complaint thereof has been made within six months of the date on which the offence is alleged to have been committed.

No. T.-1458, dated 10th December 1924.

From Chamber to Officiating Director, Labour Office, Bombay.

With reference to your letter of the 19th September 1924, No. 5096, I am directed to send hereby views of the Committee of this Chamber on Trade Union Legislation.

My Committee wish to draw attention of the Government in the first place to their views expressed in their letter of the 11th January 1922, No. T—34. They welcome legislation as mentioned in that letter aiming at organisation and recognition of Trade Unions, for they fear that it is the unorganised state in which labour exists at present which is to a large extent responsible for what are known as lightening strikes and strained relations between employers and employees and which also makes it possible for labour being exploited sometimes for their own purposes by outside people. My Committee would not however consider it satisfactory that organisations of employees should be left to themselves to decide whether they want to register themselves as Trade Unions or not. In the opinion of my Committee registration of Trade Unions must be compulsory as otherwise it is very probable that a majority of such organisations may not like to bring themselves under a properly constituted law or regulations by getting themselves registered, and all the advantages contemplated by the Bill may remain in abeyance.

My Committee are also strongly of opinion that political activities not being immediately connected with Trade Unionism should be considered outside the scope of Trade Unions. My Committee are also strongly against picketing being recognised at all as a legitimate activity of Trade Unions in times of strikes. It has been the sad experience of industrialists that picketing can never remain peaceful with industrial employees when they are on strike. It must be remembered that in times of strikes passions and prejudices of men are inflamed and very active and if picketing is allowed to be

resorted to, the only result, it is feared, will be bullying, intimidation and sabotage and may even perhaps lead to rioting. My Committee beg to submit, therefore, that there should be no recognition of picketing.

Coming to the different clauses of the Bill itself, my Committee beg to offer the following suggestions :—

Clause 5.—An extra sub-clause should be added as under :—

"(*f*).—rates of subscription for various classes of members."

Clause 6. (*f*)—The following shall be substituted for this :

" Rules can be changed only by a majority of three-fourths of the members of the particular Trade Union present at a General Meeting convened by a notice issued at least seven clear days before the holding of such meeting and in which all the terms of proposed alterations or additions shall be clearly set forth."

Clause. 6. (*j*).—The dissolution of Trade Unions should not rest with the executive but be in the hands of the general body and rules should be laid down for regulating the disposal of the funds of a Union being dissolved or ceasing to exist.

Clause 10. (*a*).—Registration should not be concelled except on the application of 50 percent. of members of the Trade Union concerned.

Clause 10. (*b*).—It should be provided that the withdrawal or concellation of the certificate of registration shall not exempt the Union or its officers from further proceedings for fraud or any such action for which they might otherwise be considered liable.

Clause 20.—It should be provided that not more than one-third of the executive shall be drawn from outside.

Clause 22.—This section should be changed thus :—

"Any two or more Trade Unions may become amalgamated together as one Trade Union with or without dissolution or division of funds of such Unions or either or any one of them, provided that 50 percent of members of each Trade Union pass a resolution in favour of such amalgamation. There shall be a right of appeal to the Registrar against such amalgamation and the Registrar, if he considers the objections valid, shall convene a meeting of the Trade Union whose decision shall be final, provided that such appeals shall not be recognised unless they are signed by not less than 10 percent of members of the Union concerned.

Clause 25.—After the words "dissolution has been effected", add "in accordance with this Act", instead of "in accordance with the rules of a Trade Union."

Clause 26.—It should be provided that the statement referred to should be submitted within six months from the 31st day of March.

Clause 27. (2). (*c*).—It should be laid down that auditing should be done only by qualified Accountants.

Clause 29.—The words "five rupees" should he changed into "Fifty Rupees".

APPENDIX 66.

TRADE DISPUTES BILL.

No. 5133, dated 19th September 1924.

From the Offg. Director, Labour Office to Chamber.

Subject.—Proposed legislation for the investigation and settlement of trade disputes.

Under instructions from the Home Department of this Government I have the honour to send you a copy of a letter from the Government of India, Department of Industries and Labour No. L–1078 dated the 30th August 1924 together with a copy of a Bill to make provision for enabling the investigation and settlement of trade disputes and to request you to furnish me (for communication to Government) with the views of your Chamber generally on the subject matter of the Bill, or specifically on individual clauses of the Bill showing what modifications, if any, you desire to suggest. I am to request to send me the statement of your views not later than the 20th October 1924.

No. L.–1078, dated 30th August 1924.

From the Government of India, Department of Industries and Labour to all Local Governments etc.

Subject.—Proposed legislation for the investigation and settlement of trade disputes.

I am directed to address you on the question of legislation for the investigation and settlement of trade disputes. The question is one which has been considered by the Government of India on several occasions. It was last raised by them in 1920, when they

addressed Local Governments in the letter from the Board of Industries and Munitions No. I.-802 (2), dated the 21st April 1920, on the subject of legislation on the lines of the British Industrial Courts Act of 1919. At that time the Government of India inclined to the opinion that legislation on English lines was unlikely to be effective in this country in preventing, or securing the early settlement of, strikes. The majority of Local Governments agreed with this view, and it appeared to the Government of India that there was then no large body of public opinion in favour of legislation of the type suggested. They, therefore, took no immediate steps to initiate legislation, but they drew attention to the possibilities of Works Committees in allaying industrial unrest, and made arrangements for a further examination of the whole question. Information was collected regarding the laws in force in other countries and the extent to which they had been successful, and much of this information was published in the form of a bulletin (Bulletin of Indian Industries and Labour No. 23, Conciliation and Arbitration, by R. N. Gilchrist). Detailed information has also for the past four years been collected regarding the course of industrial unrest in India, and the history of all important strikes, and close attention has been paid to the sporadic efforts at conciliation which have from time to time been made, and to the general trend of public opinion.

2. It appears to the Government of India that the position had undergone considerable alteration since 1920. The increase of industrial unrest in the winter of 1920-21 led to the stimulation of public interest in labour questions, and the importance of the problem raised by strikes and lock-outs received general recognition. The fact that several of the more protracted strikes occurred in public utility services strengthened the demand that some efforts should be made towards a solution of problem. In nearly every strike or lock-out of importance which has occurred in the last three years there has been a fairly strong demand from some section of the public for a reference of the points at issue to arbitration. The increased attention given to industrial disputes has moreover been followed by a steady increase in the influence exerted by public opinion on the

course of those disputes. This influence has been promptly recognized by employers and workers, and in all the more serious strikes both parties to a dispute now endeavour, by the presentation of their case in the press and elsewhere, to influence public opinion towards the support of their claim.

3. It is not irrelevant to refer in this connection to the gradual growth of trade unionism in India. It is true that trade unions may be said to be in their infancy in this country and such unions as exist are far from having adopted the more advanced principles on which the trade unionism of western countries is based. Although however, the organisation of trade unions in India is as yet undeveloped, it is only reasonable to suppose that their influence is likely to increase, as they gain cohesion and the sense of responsibility, and the advance of trade unionism should be stimulated, if legislation for the registration and protection of trade unions, about which I have addressed you in my letter No. L-925, dated the 30th August 1924, is passed. The growth of trade unions in this country is likely, in the opinion of the Government of India, to render legislative measures for the investigation and settlement of trade disputes at once more necessary and more easy of application.

4. Meanwhile, the whole question has been examined in detail in the two leading industrial provinces. Debates in the Legislative Councils led to the appointment of strong committees, in Bengal in March 1921, and in Bombay in November 1921, to consider means of alleviating industrial unrest. The Bengal Committee laid stress on the value of Works Committees and favoured the institution of Conciliation Courts to deal with disputes in public utility services. The Bombay Committee reported in favour of the statutory establishment of industrial courts. Finally, interest in the subject was stimulated by the big strike in the cotton mills in Bombay which occurred at the beginning of this year, and the Government of Bombay prepared a Bill to provide for enquiry into, and settlement of, trade diputes for introduction in the Legislative Council.

5. It appears to the Government of India, therefore, that the time is now ripe for undertaking legislation of some kind, designed

with a view to assisting in the prevention, or settlement, of trade disputes. They are further of opinion that the question is an all-India question, and that the legislation should be introduced in the Central legislature, and with this view they have prepared a draft Bill, which is forwarded with this letter. No legislation of the type suggested can be effective, unless supported by a large measure of public opinion, and the Government of India are anxious to give full opportunity for criticism, before they present any proposal to the legislature. The draft Bill must, therefore, be regarded as embodying suggestions of a provisional nature, on which they desire public opinion to be freely canvassed. They have preferred to express their views in the form of a Bill rather than in the more usual form of a general discussion, because they believe that, in a matter of this kind, those interested will find it easier to approve or to criticise concrete proposals than to express abstract opinions on the question at issue.

6. It is not the intention in this letter to discuss in detail the provisions of this measure. It is sufficient to refer briefly to general principles; the details will, of course, be further examined on the receipt of the views of Local Governments and the public generally. The first 15 clauses are based on the principles of Part II of the English Industrial Court Act, 1919. They empower (but do not compel) the Government, when any dispute arises or is apprehended, to refer the dispute to a Board. The proposals, however, go somewhat beyond the provisions of Part II of the English Act, in that they definitely impose on the Board the duty, not merely of investigating a dispute, but of endeavouring to bring about a settlement. It will be observed that the Bill is in no sense a Bill providing for compulsory arbitration in trade disputes, a principle which in the opinion of the Government of India would be unsuitable in the circumstances of this country. The object of this part of the Bill is merely to place Government in a position to offer to the parties involved in a dispute the services of an impartial tribunal to assist them in coming to a just settlement of their respective claims, and the principle underlying the measure is throughout the appeal to public opinion. The fact that a tribunal of this kind can be quickly called

into existence should make it more difficult than it is at present for either party to refuse conciliation, and the force of public opinion should prove a powerful factor in inducing the parties to a dispute to accept the findings of the Board, when they have been promulgated.

7. Clauses 16 and 17, however, which deal with disputes in public utility services go considerably further. It will no doubt be admitted that disputes in services whose continuous working is essential to the well-being of the community stand on a somewhat different footing from ordinary trade disputes. If a strike takes place in a transport service, or in the post and telegraph service, the public has usually to suffer loss, and a strike which assumes serious proportions may result not only in paralysis to trade and industry but in positive danger to the general public. A strike or lock-out affecting the supply of light or water to a city constitutes a menace to public health and safety. In such cases it appears to the Government of India that the public, who are vitally interested, can reasonably demand that Government shall do what it can to prevent the occurrence of a strike or lock-out. This view appears to be receiving an increasing measure of support. The advisability of taking action to prevent stoppages of work in public utility services has lately been urged by several Local Governments in connection with the proposals for trade union legislation. The idea has received the support of a number of the leading employers and has been expressly endorsed by the Associated Chambers of Commerce. Nor, if provision is made for the investigation of grievances, is the principle of intervention likely to be unwelcome to the great majority of workers, who are the first to suffer when strikes or lock-outs take place.

8. It may be held that if a satisfactory procedure for the settlement of disputes is devised, there is no logical objection to the prohibition by legislative enactment of all stoppages of work in public utility services. The illegality of strikes in certain cases finds a place in English law in the Conspiracy and Protection of Property Act, 1875, and the principle is also reflected in the Indian Post

Office Act. In some countries far more ambitious and far-reaching attempts have been made to prohibit strikes by legislation. The Government of India doubt, however, if provisions of this nature would achieve the end they have in view. They are inclined to think that it is unwise, and probably impracticable, to attempt to prohibit absolutely stoppages of work in public utility services in India. They believe that, if they can secure the postponement of a stoppage of work in such services until an attempt has been made to secure conciliation, they will have gone as far as is, at present at any rate, advisable towards the solution of the problem.

9. Clauses 16 and 17 of the draft Bill accordingly follow the principle of the Canadian Industrial Disputes Investigation Act of 1907, in requiring the reference of disputes in public utility services to an impartial Board before a strike or lock-out takes place. The purpose is to ensure the recognition of the interests of the public as a third party in such disputes; the safeguard is, as throughout the Bill, the appeal to public opinion. The Board will be able to make a full investigation into the merits of dispute, and may be able in many cases to bring the parties to an amicable settlement. If they fail to do this, the next step will be the publication of their award pronouncing on the points at issue. Thereafter the parties will be free to declare a strike or a lock-out, if they so desire. While penalties are imposed on persons responsible for strikes or lock-outs, pending the reference of a dispute to a Board, the existence of these penalties must not be regarded as the central feature of the Bill. It is hoped that quite apart from the existence of penalties, the influence of public opinion will prevent a rash and unconsidered stoppage of work, while the means for settling a dispute are at hand. If the Boards can command public confidence, the parties will find it difficult to refuse to accept their findings.

10. It will be observed that clauses 16 and 17, as drafted, do not apply automatically to any public utility service. They will only apply to such services to which they are specifically declared by Government to be applicable. The reason why the Government of India have thought it advisable to draft the Bill in this way is

that the circumstances of different public utility services vary considerably, and action penalising strikes pending reference to a Board, may be desirable in respect of one such service, and unwise in respect of another. Opponents of legislation of this type have always laid considerable emphasis on the danger that, so far from aiding in the prevention or settlement of strikes or lock-outs, it may actually have the effect of prolonging them. The Government of India are alive to this danger. Experience in this country, for instance, has shown that the forfeiture of long service gratuities for participation in a strike on a railway has tended in some cases to prolong the strike. Such considerations may not be applicable to other public utility services. The proposal to render strikes or lock-outs in public utility services illegal must be regarded as of an experimental nature in this country at present, and it has appeared to the Government of India preferable therefore to draft the Bill in such a way as to enable Government to proceed gradually in this matter, and to make advances or withdrawals in the light of experience gained. The Government of India desire particularly to be furnished with the views of the Local Government on the suitability of these clauses and the wisdom of their application to particular public utility services, in the light of the remarks made in this paragraph.

11. Finally, I am to say that the Government of India are not unconscious of the difficulties in undertaking legislation of this character. The size of the country, the illiteracy of the workmen, the comparative lack of well developed organization among them, the presence in too many trade disputes of differences which are not economic, and the fact that the articulate section of the public is still comparatively small all tend to complicate the problem. The Government of India believe, however, the difficulties are not insuperable and they consider that, at the stage of industrial progress which India has already reached, the proposals now put forward offer the hope of some diminution of industrial unrest.

12. The Government of India desire that the fullest publicity be given to the proposals now put forward. They are themselves

taking steps to publish this letter and the draft Bill in the press, and they will welcome all criticism and suggestions bearing thereon. The urgency of a measure of this nature has been pressed upon them from several quarters, and it is their intention to introduce this measure, with such modifications as may be necessary in the light of criticisms received, in the next Delhi session of the central Legislature. I am to request, therefore, that they may be favoured with the views of the Local Government not later than the 30th November 1924. They recognize that the time given for eliciting opinions is somewhat short, but they earnestly trust that by giving immediate publicity to the proposals it will be possible to form a considered opinion within the time stated.

A Bill to make provision for enabling the investigation and settlement of trade disputes.

Whereas it is expedient to make provision for enabling the investigation and settlement of trade disputes; It is hereby enacted as follows :—

Short title, extent and commencement.

1. (*1*) This Act may be called the Trade Disputes Investigation Act, 192 .

(*2*) It extends to the whole of British India, including British Baluchistan and the Sinthal Parganas.

(*3*) It shall come into force on such date as the Governor General in Council may, by notification in the Gazette of India, appoint.

Interpretation.

2. (*1*) In this Act, unless there is anything repugnant in the subject or context,—

(*a*) "Board" means a Board of Investigation and Conciliation constituted under this Act;

(*b*) "employer" means, in the case of any industry, business or undertaking carried on by any department of the Government, the head of the department;

(*c*) "lock-out" means the closing of any place of employment, or any suspension of work, any refusal by an employer to continue to employ any number of his workmen, where such closing, suspension or refusal occurs in consequence of a dispute and is intended for the purpose of compelling the workmen of the employer, or of aiding another employer in compelling his workmen, to agree to any action taken or proposed to be taken by the employer;

(*d*) "prescribed" means prescribed by rules made under this Act;

(*e*) "public utility service" means any industry, business or undertaking which maintains or supplies power essential for the maintenance of—

(*i*) any railway, tramway or inland steamer service; or

(*ii*) the postal or telegraph service; or

(*iii*) a supply of light or water to the public; or

(*iv*) any system of public conservancy or sanitation;

and includes any industry, business or undertaking which the Governor General in Council may, after giving by notification in the Gazette of India not less than three months' notice of his intention so to do, by a like notification declare to be a public utility service for the purposes of this Act;

(*f*) "railway company" means a railway company as defined in section 3 of the Indian Railways Act, 1890;

(*g*) "strike" means a cessation of work by a body of workmen acting in combination, or a concerted refusal or a refusal under a common understanding of any number of workmen to continue to work for an employer, where such cessation or refusal occurs in consequence of a dispute and is

intended for the purpose of compelling the employer, or of aiding other workmen in compelling their employer, to concede any demand of the workmen ; and

(*b*) "workman" means any person employed by an employer for hire or reward, but does not include any person employed in the naval, military or air service of the Crown or in the Royal Indian Marine Service.

(*2*) For the purposes of this Act, no person shall be deemed to have ceased to be an employer or a workman of any employer, by reason only of a lock-out or strike or by reason of any dispute which has within thirty days of the dismissal been referred to a Board under this Act.

Reference of disputes to Boards.

Reference of disputes to Boards.

3. If any dispute arises or is apprehended between an employer and any of his workmen, the Local Government, or, where the employer is the head of any department under the control of the Governor General in Council, or is a railway company, the Governor General in Council, may, by order in writing, refer the dispute for investigation and settlement to a Board ;

Provided that where arrangements for settlement of disputes by conciliation or arbitration have been made in pursuance of an agreement between the employer and any organisation representative of a substantial proportion of the workmen or of an agreement to which the employer and such organisation are parties, the dispute shall not be referred to a Board under this section unless and until there has been a failure to obtain a settlement thereof by means of those agreements.

Constitution of Boards

Formation of panels for the constitution of Boards.

4. (*1*) As soon as may be after the commencement of this Act, the Governor General in Council and each Local Government shall form, for the purpose of constituting Boards to which disputes may be referred

by them respectively, three panels consisting respectively—

(*a*) of persons representing the interests of workmen;

(*b*) of persons representing the interests of employers; and

(*c*) of persons suitable for appointment as chairmen of Boards.

(*1*) Each panel shall consist of not less than five persons who shall be nominated by the Governor General in Council or the Local Government, as the case may be, and who shall have expressed their willingness to serve on Boards as chairmen thereof, or, as the case may be, to represent the interests on behalf of which it is proposed to nominate them respectively.

(*3*) A person nominated to a panel under this section shall be liable during a period of three years to serve upon any Board when called upon to do so by the authority by which he was nominated:

Provided that any such person may apply for the removal of his name from the panel, and, if he does so, his name shall be removed accordingly.

(*4*) Subject to the provisions of sub-section (*2*) any person may be nominated to a panel at any time whether to fill a vacancy or otherwise.

Constitution of Boards.

5. (*1*) Every Board shall consist of three persons, of whom one shall be appointed from each of the three panels formed under section 4 by the authority by which the Board is constituted:

Provided that, where the Board is to be constituted by a Local Government and the Local Government is of opinion that the dispute in question affects the interests of another province, it shall intimate such opinion to the Local Government of that province and shall, if that Local Government so requires, appoint to the Board

two additional members nominated by that Local Government, one from the panel of workmen's representatives, and one from the panel of employers' representatives, formed by that Local Government under section 4.

(2) No person shall be appointed to be a member of a Board who has any financial or other substantial interest in the settlement of the dispute in respect of which the Board is to be constituted.

Notification of the constitution of Boards.

6. As soon as possible after a Board has been constituted, the name of the members thereof shall be published in the Gazette of India or the local official Gazette, as the case may be, and shall be notified in such manner as may be prescribed to the parties to the dispute.

Vacancies.

7. Every vacancy in the membership of a Board shall be filled from the same panel from which the member whose appointment is vacant was originally appointed.

Finality of order constituting Board.

8. No order of the Governor General in Council or of a Local Government nominating any person to a panel or appointing any person as a member of a Board shall be called in question in any manner whatsoever.

Functions, Powers and Procedure of Boards.

Duties and powers of Boards.

9. (1) Where a dispute has been referred to a Board under this Act, it shall be the duty of the Board to endeavour to bring about a settlement of the same, and for this purpose the Board shall, in such manner as it thinks fit and without delay, investigate the dispute and all matters affecting the merits thereof and the right settlement thereof, and in so doing may do all such things as it thinks fit for the purpose of inducing the parties to come to a fair and amicable settlement of the dispute, and may adjourn the proceedings for any

period sufficient in its opinion to allow the parties to agree upon terms of settlement.

(2) In making any such investigation, a Board shall have the same powers as are vested in a Court under the Code of Civil Procedure, 1908, when trying a suit in respect of the following matters :—

(a) enforcing the attendance of any person and examining him on oath ;

(b) compelling the production of documents and material objects ; and

(c) issuing commissions for the examination of witnesses ;

and shall have such further powers as may be prescribed.

Procedure.

10. (1) All questions arising for decision by a Board shall be decided by a majority of the votes of members thereof.

(2) The presence of the chairman and at least one other member of the Board shall be necessary to constitute a sitting of a Board.

(3) A Board shall in holding an investigation follow such procedure as may be prescribed.

Recommendations and reports.

11. (1) If a settlement of a dispute is arrived at by the parties thereto after it has been referred to a Board and during the course of the investigation thereof, a memorandum of settlement shall be drawn up by the Board and signed by the parties, and the Board shall send a report of the settlement, together with the memorandum, to the authority by which the Board was constituted.

(2) If no such settlement is arrived at during the course of the

investigation, the Board shall, as soon as possible after the close thereof, send a full report regarding the dispute to the authority by which the Board was constituted, setting forth the proceedings and steps taken by the Board for the purpose of ascertaining the facts and circumstances relating to the dispute and of endeavouring to bring about a settlement thereof, together with a full statement of such facts and circumstances and its findings therefrom and the recommendation of the Board for the settlement of the dispute.

(3) The recommendation of the Board shall deal with each item of the dispute and shall state in plain language what in the opinion of the Board ought and ought not to be done by the respective parties concerned.

Form of report.

12. The report of a Board shall be in writing and shall be signed by all the members of the Board:

Provided that nothing in this section shall be deemed to prevent any member of a Board from recording a minute of dissent from a report or from any recommendation made therein.

Publication of report.

13. Every report made by a Board shall be published in the Gazette of India and in the official Gazette of any province which, in the opinion of the Local Government thereof, is affected by the dispute and a copy thereof shall be sent free of charge to the parties to the dispute and to any newspaper applying for the same, and further copies shall be distributed in such manner as to ensure that full publicity is given to the terms of the report, and the authorised officer shall upon application supply certified copies on payment of the prescribed fee to any person who applies therefor.

Power of entry and inspection.

14. (1) A Board or any member thereof or any other person authorised in writing by a Board in this behalf may, for the purposes of any investigation entrusted to the Board under this Act, at any time between the hours of sunrise and sunset, enter any building, factory, workshop or other place or premises whatsoever and inspect the same or any work,

machinery, appliance or article therein or interrogate any persons therein in respect of any thing situated therein or any matter relevant to the subjectmatter of the investigation.

(2) Any person who wilfully binders or obstructs a Board or any such member or person aforesaid in the exercise of any power conferred by this section or refuses without reasonable excuse to answer any question put to him in the exercise of such power shall be deemed to have committed an offence under section 186 of the Indian Penal Code.

Documents, etc., to be kept confidential.

15. (1) Any book, paper or other document or thing produced before a Board may be inspected by the Board and by such of the parties or their representatives as the Board may permit, but the information derived therefrom shall, except in so far as the Board deems it necessary to refer thereto in its report, be kept confidential, and such parts of all books, papers or other documents so produced as in the opinion of the Board do not relate to the matter at issue shall, if possible, be sealed up.

(2) If any member of a Board or any person to whom inspection of any book, paper or other document or thing has been permitted by a Board under sub-section (1) discloses any information derived therefrom in contravention of the provisions of that sub-section, he shall, on complaint made by or under the authority of the person on whose behalf such book, paper, document or thing was produced before the Board, be punishable with fine which may extend to one thousand rupees:

Provided that nothing in this sub-section shall apply to the disclosure of any such information for the purposes of a prosecution under section 193 of the Indian Penal Code.

Public Utility Services.

Prohibition of strikes and lock-outs in certain public utility services.

16. (1) Where the Governor General in Council, in the case of any public utility service carried on by him or under his authority, or by a railway company or the Local Government, in the case of any other public utility service, has by general or special order published in the Gazette of India or the local official Gazette, as the case may be, declared this section to be applicable to such service, it shall not be lawful for any employer to declare or enforce a lock-out as against any workmen employed in such service, or for any such workman to take part in a strike, on account of any dispute unless notice of the proposed lock-out or strike has been sent to the prescribed officer, and—

(*a*) where no order has been made for the reference of the dispute to a Board under this Act, until the expiry of thirty days from the date of the notice; or

(*b*) where such an order has been made, until the expiry of ninety days from the date of the notice or until the expiry of seven days from the date of the publication of the report of the Board under section 13, whichever date is earlier.

(2) Any employer who declares or enforces a lock-out in contravention of the provisions of sub-section (1) shall be punishable with fine which may extend to two thousand rupees.

(3) Any workman who takes part in a strike in contravention of the provisions of sub-section (1) shall be punishable with fine which may extend to twenty-five rupees.

(4) Any person who abets any contravention of the provisions of sub-section (1) shall be punishable with fine which may extend to two thousand rupees.

(5) No Court shall take cognizance of any offence under this section save on complaint made by, or under authority from, the Governor General in Council or the Local Government.

(6) No Court inferior to that of a Presidency Magistrate or a Magistrate of the first class shall try any offence under this section.

Notice of reductions in wages and rates.

17. (1) No employer shall enforce, as against any of his workmen employed in any public utility service to which the provisions of section 16 apply, any general reduction in wages or in rates paid for working overtime until he has given to the workmen, in such manner as may be prescribed, not less than one month's notice of his intention so to do.

(2) Any Board to which any dispute between an employer and his workmen has been referred, arising wholly or in part from the enforcement or the proposed enforcement of any general reduction of wages in a public utility service to which the provisions of section 16 apply, may order the employer not to enforce any such general reduction until such time as may be specified in the order:

Provided that any such order shall cease to have effect on the expiry of ninety days from the date of the notice under sub-section (1), or on the expiry of seven days from the date of the publication of the report of the Board under section 13, whichever date is earlier.

(3) Any employer contravening the provisions of sub section (1) or contravening a subsisting order made under sub section (2) shall be punishable with fine which may extend to two thousand rupees.

Rules.

Power to make rules.

18. (1) The Governor General in Council in respect of industries, businesses and undertakings carried on by him or under his authority, or by a railway company, and the Local Government in respect of other businesses,

industries, or undertakings within their respective provinces, may make rules for the purpose of giving effect to the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely :—

(*a*) the powers and procedure of Boards ;

(*b*) the representation before a Board of parties to a dispute ;

(*c*) the allowances admissible to members of Boards and to witnesses ;

(*d*) the ministerial establishment which may be allotted to a Board and the salaries and allowances payable to members of such establishments ;

(*e*) the manner in which notice of changes in rates of wages or of overtime pay shall be given under section 17 ; and

(*f*) any other matter which is to be or may be prescribed.

(3) All rules made under this section shall be published in the Gazette of India or the local official Gazette, as the case may be, and shall, on such publication, have effect as if enacted in this Act.

No. T.-1392 dated 19th November 1924.

From Chamber to Officiating Director, Labour Office.

With reference to your letter of the 19th September 1924, No. 5133, I am directed by the Committee of this Chamber to send hereby their views regarding the Bill to make provision for enabling the investigation and settlement of Trade disputes.

2. My Committee regret to note that the Bill is proposed to include not only industries but also business of all varieties. The reference made by Government in 1920 to different commercial

bodies contemplated an All-India Legislation on the lines of the English "Industrial Courts Act of 1919". Though Section 4 of Part I of the Industrial Courts Act of 1919 refers to trade disputes also, my Committee believe that this Act mainly applies to industries. There is even a greater reason for excluding trade and business from operation of such an Act in this country where they are entirely unorganised and conditions are entirely different from those prevailing in the West. Some three years back when the question was mooted with regard to the extension of the principle of a compulsory holiday once a week atleast to trade and business, it was pointed out strongly by my Committee that it was neither possible nor advisable to do so. In fact my Committee are strongly against bringing trade and business under the operation of what may be called labour legislation. It may be pointed out in this connection that the Industrial Disputes Committee appointed by the Government of Bombay in 1921 contemplated merely industrial disputes.

3. With reference to Section 3 of the draft Bill, my Committee cannot approve of the initiative being taken by the Government in referring disputes even for *settlement* to Boards of Investigation and Conciliation. Government should have the power to step in only in case of a general strike. It should also be laid down that both the parties should apply for conciliation, while an enquiry can be undertaken at the request of either party.

My Committee consider it necessary that the sentence "if any dispute arises or is apprehended between an employer and any of his workmen" should be properly explained as they are against any individual disputes being taken cognisance of by Government. Government should intervene only when the industry as a whole is affected and not any particular factories or employers.

4. With regard to Section 4 providing for the constitution of Boards, my Committee suggest that each panel should consist of 12 people. The Industrial Disputes Committee recognised the principle of election for purposes of forming employers' and employees' panels, though they were opposed to having any standing panels. While

recognising this principle of election, my Committee cannot support it in this instance on account of the absence of representative organisations of labour. So for the present at least all the three panels will have to be formed by nomination by the Government.

5. My Committee agree that there should be some difference in procedure provided for public utility companies and other industrial concerns in the matter of disputes between employers and employees, as the interests of the general public are involved.

APPENDIX 67.

INSURANCE LEGISLATION FOR INDIA.

No. T-1312, dated 23rd October, 1924.

From Chamber to the Government of India, Department of Commerce.

The attention of my Committee has been drawn to an interpellation in the Indian Legislative Assembly on the 10th September, 1924, put by Sir Purshotamdas Thakurdas, Chamber's representative, and the reply of the Hon. Sir Charles Innes thereto. In this connection my Committee beg to remind you that they sent their views on the subject of Insurance Legislation in India to your Department by their letter No. T-1371, dated the 12th December 1923. My Committee would like to be informed if Government are now in a position to let them know definitely when they expect to introduce a Bill on the subject in the Legislative Assembly.

No. 36-I, —— November 1924.

From the Government of India, Commerce Department to Chamber.

Insurance Legislation.

With reference to your letter No. T-1512, dated the 23rd October 1924, I am directed to say that a draft Insurance Bill has been prepared by the Government of India. But as your Committee is, no doubt, aware, a Departmental Committee has recently been appointed by the Board of Trade to enquire and report what amendments are desirable in the English Assurance Companies Act, 1909 on which Indian insurance law has hitherto been based, in order to bring the Act into accord with present day requirements. The Government of India consider it advisable to have before them the report of this Committee before proceeding further with their own Bill. It has been ascertained that the Committee held its first sitting last month and is expected to submit its report by March 1925.

APPENDIX 68.

INDIAN COTTON GINNING AND PRESSING FACTORIES ACT.

No. 5807-D., dated the 21st October 1924.

From the Government of Bombay, General Department to Chamber.

Subject:—Indian Cotton Ginning and Pressing Factories Act.

I am directed by the Governor in Council to forward a copy of Government Resolution, General Department, No. 5807, dated the

14th October 1924, and to request that Government may be favoured with the views of your Chamber on the subject mentioned therein by the 15th of November 1924.

Cotton ginning and cotton pressing Factories. A Bill to provide for the better regulation of—

Government of Bombay, General Department, Resolution No. 5807, Bombay Castle, 14th October 1924.

Letter from the Government of India, No. F-96-I/24-A. C., dated the 12th September 1924 :—

"With reference to Debates of the Legislative Assembly dated 8th September 1924, I am directed to forward herewith 60 copies of the papers noted below and to request that the Governor in Council will favour the Government of India in this Department with an expression of his opinion on the provisions of the Bill, and with the opinions of the Honourable the Judges of the High Court and of such selected officers and other persons as the Governor in Council may think fit to consult on the subject.

1. A Bill to provide for the better regulation of cotton ginning and cotton pressing factories with Statement of Objects and Reasons.

*2. Extracts from Legislative Assembly Debates dated 3rd September 1924 and 8th September 1924, regarding the Bill.

"2. I am also to request that the Bill and Statement may be published in the Bombay Government Gazette in English and in such other languages as the Governor in Council may deem proper, and that the dates of such publications may be communicated in your reply.

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* Not printed here.

"3. The reply to this letter should be sent in by the 31st December 1924."

Resolution.—Copies of the letter from the Government of India and accompaniments should be forwarded to the Honourable the Chief Justice and Judges of His Majesty's High Court of Judicature, Bombay, the Commissioner in Sind, the Commissioners of Divisions, the Remembrancer of Legal Affairs, the Director of Agriculture, the Collector of Bombay, the Registrar of Co-operative Societies and the Superintendent of Industries, and they should be requested to favour Government with their views on the provisions of the Bill by the 15th November 1924.

2. The Bill with the Statement of Objects and Reasons should also be forwarded to the Chambers of Commerce, Bombay and Karachi, the Indian Merchants' Chamber, Bombay, the Bombay Millowners' Association, the Bombay Presidency Trades' Association, the East India Cotton Association, Bombay, the Ahmedabad Millowners' Association and the Bombay Muccadams' Association for favour of their opinion on the provisions of the Bill and they should be requested to send their replies to Government by the 15th November 1924.

3. The Bill with the Statement of Objects and Reasons should be published in the Bombay Government Gazette.

A Bill to Provide for the better regulation of cotton ginning and cotton pressing factories.

Whereas it is expedient to provide for the better regulation of cotton ginning and cotton pressing factories; It is hereby enacted as follows:—

Short title, extent & commencement.

1. (1) This Act may be called the Cotton Ginning and Pressing Factories Act 192 .

(2) It extends to the whole of British India (except Burma), including British Baluchistan and the Sonthal Parganas.

(3) It shall come into force on such date as the Governor General in Council may, by notification in the Gazette of India, appoint.

2. In this Act, unless there is anything repugnant in the subject or context,—

Definitions.

(a) "bale" means any pressed package of cotton of whatever size or density;

(b) "cotton" means ginned or unginned cotton, cotton waste or cotton seed;

(c) "cotton ginning factory" means any place where cotton is ginned or where cotton fibre is separated from cotton seed by any process whatever involving the use of steam, water or other mechanical power or of electrical power;

(d) "cotton pressing factory" means any factory as defined in the Indian Factories Act, 1911, in which cotton is pressed into bales;

(e) "cotton waste" means droppings, strippings, fly and other waste products of a cotton mill or of a cotton ginning factory or of a cotton pressing factory, but does not include yarn waste;

(f) "Indian Central Cotton Committee" means the Indian Central Cotton Committee constituted under the Indian Cotton Cess Act, 1923, and includes any sub-committee appointed by it to perform any function of the Indian Central Cotton Committee under this Act, and

(g) "prescribed" means prescribed by or under rules made under this Act.

Maintenance of registers.

3. (1) The owner of every cotton ginning factory shall cause to be maintained at the factory in such form, if any, as may be prescribed, a ginning register containing a daily record of all cotton ginned in the factory and of the names of the persons for whom the cotton has been ginned and of the amount ginned for each person.

(2) The owner of every cotton pressing factory shall cause to be maintained at the factory in such form, if any, as may be prescribed, a press register containing a daily record of the number of bales pressed in the factory, the serial number of each bale, and the name of the person for whom it has been pressed.

(3) The owner or the person in charge of a cotton ginning or cotton pressing factory shall be bound to produce any ginning register or press register maintained under this section when required to do so by any person appointed by the Local Government in this behalf, and the owner or person in charge of any cotton pressing factory shall be bound to furnish to the Indian Central Cotton Committee, if so required by it in writing, a copy, certified as correct by the owner or person in charge of the factory, of the entry in any press register maintained at the factory relating to any specified bale.

(4) No register required to be maintained by this section shall be destroyed until after the expiration of three years from the date of the last entry therein.

(5) If—

(*a*) in any factory any register required by this section to be maintained is not maintained or is maintained in any form other than the form, if any, prescribed for the purpose, or

(*b*) any entry in any such register is proved to be false in any material particular, or

(*c*) any such register is destroyed before the expiration of the period referred to in sub-section (4),

the owner of the factory shall be punishable with fine which may extend to fifty rupees or, if he has previously been convicted of any offence under this sub-section, to five hundred rupees.

(6) If the owner or the person in charge of any factory fails to produce any register, or to furnish a certified copy of any entry, when required to do so under sub-section (3), or furnishes a certified copy of an entry knowing or having reason to believe such copy to be false, he shall be punishable with fine which may extend to fifty rupees or, if he has previously been convicted of any offence under this sub-section, to five hundred rupees.

Marking of bales.

4. (1) The owner of every cotton pressing factory shall cause every bale pressed in the factory to be marked in such manner as may be prescribed before it is removed from the press-house, with a serial number and with the mark prescribed for the factory.

(2) If any bale is removed from the press-house of any cotton pressing factory without having been marked as required by sub-section (1), the owner of the factory shall be punishable with fine which may extend to fifty rupees.

Returns.

5. (1) The owner of every cotton pressing factory shall submit to the prescribed authority, on such dates and in such form as may be prescribed, weekly and annual returns showing the total number of bales of cotton pressed during the preceding week and the preceding year, respectively, and the approximate net weight of each bale.

(2) The Local Government shall compile from the weekly and annual returns, and shall publish in such manner as the Governor-General in Council may direct, a statement showing the total number of bales pressed in the province during the week and year, respectively, to which the returns relate:

Provided that the number of bales pressed in any individual factory shall not be published.

(3) If default is made in submitting any return as required by sub-section (1), the owner of the factory shall be punishable with fine which may extend to one hundred rupees.

Scales and weights.

6. (1) No scales or weights shall be used in any cotton ginning or cotton pressing factory other than the scales or weights, if any, prescribed by the Local Government as standard for the district in which the factory is situated.

(2) If in any factory any scale or weight is used in contravention of the provisions of sub-section (1), the owner of the factory shall be punishable with fine which may extend to fifty rupees or, in the case of any second or subsequent offence, to five hundred rupees.

Structural requirements for factories.

7. (1) In the case of all cotton ginning factories the construction of which is commenced after the commencement of this Act—

(*a*) gin-houses shall be provided with separate entrances and exits for the bringing in of unginned and the taking out of ginned cotton respectively, and

(*b*) the factories shall be constructed in accordance with plans and specifications approved by the prescribed authority.

(2) Within such period after the commencement of this Act as may be prescribed, the owner of every cotton pressing factory in which cotton is handled on the ground floor shall cause the press-house to be paved or provided with other suitable flooring to the satisfaction of the prescribed authority.

(3) If the owner of any factory fails to comply with any provision of this section which is applicable to the factory, he shall be punishable with fine which may extend to one hundred rupees and, in the case of a continuing offence, with an additional fine which may extend to fifty rupees for each day after the first during which the failure continues.

Liability of officers of a company.

8. Where the person guilty of an offence under this Act is a company, every director, manager, secretary and other officer thereof who is knowingly a party to the default shall also be guilty of the like offence and liable to the like punishment.

Cognizance of offences.

9. (1) No prosecution under this Act shall be instituted except by or with the previous sanction of the District Magistrate or an Inspector of Factories appointed under the Indian Factories Act, 1911.

(2) No offence punishable under this Act or under any rule thereunder shall be tried by any Court inferior to that of a Presidency Magistrate or of a Magistrate of the first class.

Power of the Governor General in Council to make rules.

10. The Governor General in Council may make rules to provide for—

(*a*) the allotment of a special mark to be used by each pressing factory for the purpose of the marking of bales;

(*b*) the manner in which bales shall be marked; and

(*c*) the manner in which the weekly and annual statements referred to in section 5 shall be published.

Power of the Local Government to make rules.

11. (1) The Local Government may, by notification in the local official Gazette, make rules consistent with this Act to provide for all or any of the following matters, namely :—

(*a*) the forms in which registers, records and returns are to be maintained or submitted, and the verification of records and the inspection of registers;

(*b*) the appointment of the authority to whom and the dates on which the returns required by section 5 shall be made;

(*c*) the weights and scales to be used in cotton ginning and cotton pressing factories in any district in the province, and the inspection of the same ;

(*d*) the appointment of authorities for the purposes of section 7 ;

(*e*) the powers of entry and inspection which may be exercised by District Magistrates and Inspectors of Factories in the case of cotton ginning factories which are not factories within the meaning of the Indian Factories Act, 1911 ; and

(*f*) any other matter which is to be or may be prescribed or for which provision is necessary in order to carry out the purposes of this Act.

(2) Rules made under this section may provide that any contravention thereof or of any order issued under the authority of any such rule shall be punishable with fine which may extend to one hundred rupees.

Power to reject unmarked bales in fulfilment of contracts.

12. After the expiration of one year from the commencement of this Act, any person who has made a contract for the purchase of baled cotton may require that no bales other than bales marked in accordance with section 3 shall be supplied in fulfilment of such contract, and, if he does so require, no bale not so marked shall be tenderable in fulfilment of the contract:

Provided that nothing in this section shall apply to a contract for the sale and delivery of cotton grown before, or less than one year after, the commencement of this Act.

Protection for acts done under Act.

13. No suit or other legal proceeding shall be instituted against any person in respect of anything which is in good faith done or intended to be done under this Act.

Statement of Objects and Reasons.

The Indian Cotton Committee which was appointed in 1917, in Chapter XVI of their Report recommended certain measures, including the licensing of cotton ginning and pressing factories, to prevent such malpractices as damping, mixing and adulteration, which are injurious to the quality and reputation of Indian cotton. The recommendation of the Committee, however, involved an excessive amount of official interference. The object of the present Bill is to put the trade in a position to protect itself by providing for the marking of bales and the record of ownership, and by providing further that unmarked bales are not tenderable in fulfilment of a contract, if marked bales are demanded by the purchaser.

The Bill also makes provision for the maintenance of registers for statistical returns, for the use of correct scales and weights, and for the structural improvement of ginning and pressing factories. The Bill is based on the recommendations of the Indian Central Cotton Committee, and is supplementary to the Cotton Transport Act, 1923.

The 28th August, 1924. C. A. INNES.

No. T-1465, dated 11th December 1924.

From Chamber to the Government of Bombay, General Department.

Subject :—Indian Cotton Ginning and Pressing Factories Act.

With reference to your letter No. 5807-D, dated the 21st October 1924, enclosing a copy of Government Resolution, General Department, No. 5807 dated the 14th October 1924 on the above subject, I am directed by my Committee to state that they approve of the "Bill to provide for the better regulation of Cotton Ginning and Cotton Pressing factories." They beg, however, to suggest that when the time comes for the framing of rules by the Local Govern-

ment all the commercial bodies be consulted as requested in this Chamber's letter dated the 3rd January 1923 addressed to the Government of Bombay, Revenue Department, in reply to their letter No. 0-103, dated the 22nd December 1922 on the subject of the proposed legislation regarding the licensing of Gins and Presses.

APPENDIX 69.

MATERNITY BENEFIT BILL.

No. 1066-11211-D., dated 11th November 1924.

From the Government of Bombay, General Department to Chamber.

I am directed by the Governor in Council to forward herewith a copy of this Government Resolution No. 1066, dated the 31st October 1924, and the accompaniment, regarding the Maternity Benefit Bill introduced by Mr. N. M. Joshi in the Legislative Assembly on the 23rd September 1924, and to request that you will be so good as to favour Government with the opinion of your Chamber on the provisions of the Bill not later than the 30th November 1924.

Government of Bombay, General Department, Resolution No. 1066, Bombay Castle, 31st October 1924.

Letter from the Government of India, Department of Industries and Labour, No. L.—1150, dated the 11th October 1924 :—

"I am directed to forward a copy of a Bill designed to make

provision for the payment of maternity benefit in certain industries. The Bill was introduced by Mr. N. M. Joshi in the Legislative Assembly on the 23rd September 1924. A copy of the statement of Objects and Reasons accompanies the Bill. I am to request that, with the permission of His Excellency the Governor in Council, the Government of India may be furnished with the opinion of the local Government on the Bill not later than the 1st January 1925."

Resolution.—Copies of the letter from the Government of India and accompaniment should be forwarded to the Honourable the Chief Justice and Judges of His Majesty's High Court of Judicature, Bombay, the Commissioner in Sind, the Remembrancer of Legal Affairs, the Commissioners of Divisions, the Collector of Bombay, the Director, Labour Office, the Political Resident, Aden, the Millowners' Associations, Bombay and Ahmedabad, the Indian Merchants' Chamber, Bombay, the Chambers of Commerce, Bombay and Karachi, the European Textile Association, the Social Service League, the Trades Union Congress, the Kamgar Hitwardhak Sabha, the Agents, B. B. and C. I. and G. I. P. Railways, the Bombay Engineering Employers' Association and the Chairman, Bombay Port Trust, and they should be requested to favour Government with their views on the Bill before the 30th November 1924 at the latest. The Commissioner in Sind and the Political Resident, Aden, should consult the Karachi and Aden Port Trusts, respectively, before submitting their views.

2. The Manager, Government Central Press, should be requested to print the Bill with the statement of Objects and Reasons in the Bombay Government Gazette and to supply 100 copies to this Department. The Oriental Translator to Government should be requested to have them translated into Marathi, Gujarati, Kanarese and Urdu and forward the translations to the Manager, Government Central Press, for publication in the Gazette. The Commissioner in Sind should be requested to print the Bill and the statement of Objects and Reasons together with their Sindhi Translation in the Sind Official Gazette.

A Bill to regulate the employment of women in factories and mines and on those estates to which the Labour and Emigration Act, 1901, applies some time before and some time after confinement, and to make provision for the payment of maternity benefit.

Whereas it is expedient to regulate the employment of women in factories and mines and on those estates to which the Assam Labour and Emigration Act, 1901, applies some time before and some time after confinement, and to make provision for the payment of maternity benefit during the period of absence from work due to advanced state of pregnancy and confinement; It is hereby enacted as follows:—

1. *Short title, extent and commencement.*—(1) This Act may be called the Maternity Benefit Act, 192 .

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(3) It shall come into force on the first day of January, 1926.

2. *Definitions.*—In this Act,—

(*a*) "factory" means a factory as defined in the Indian Factories Act, 1911;

(*b*) "mine" means a mine as defined in the Indian Mines Act, 1923;

(*c*) "estate" means an estate as defined by the Assam Labour and Emigration Act, 1901;

(*d*) "qualified medical practitioner" means a qualified medical practitioner as defined in the Workmen's Compensation Act, 1923;

(*e*) "benefit" means benefit as provided for by this Act;

(*f*) "employer" includes an "occupier" of a factory as defined

in the Indian Factories Act, 1911, or the "manager" of a factory, or an "owner" of a mine or his "agent" as defined by the Indian Mines Act, 1923, or the "manager" of a mine, or the "chief person" for the time being in charge of any "estate";

(*g*) "Inspector of Estates" means an Inspector as defined by the Assam Labour and Emigration Act, 1901;

(*h*) "Inspector of Factories" means an Inspector as defined by the Indian Factories Act, 1911;

(*i*) "Chief Inspector of Mines" means a Chief Inspector as defined by the Indian Mines Act, 1923; and

(*j*) "Inspector of Mines" means an Inspector as defined by the Indian Mines Act, 1923.

3. *Employment of workmen at the time of confinement and payment from Maternity Benefit Fund.*—In any factory or in a mine or on an estate to which the Assam Labour and Emigration Act, 1901, or any section thereof applies, a woman—

(*a*) shall not be knowingly employed during the six weeks following her confinement;

(*b*) shall have the right to leave her work if she produces a medical certificate from a qualified medical practitioner stating that her confinement will probably take place within six weeks;

(*c*) shall, while she is absent from her work in pursuance of clause (*a*) and (*b*) of this section, be paid by the Local Government in accordance with rules made for this purpose, out of a fund to be established for this purpose and called the Maternity Benefit Fund, benefit sufficient for the full and healthy maintenance of herself and her child, the amount of which shall be determined in accordance with rules made by the Local Government.

4. *Payment in case of death during period of confinement.*—If a woman dies at her confinement or during the period for which she is entitled to benefit, the remaining sums due as maternity benefit shall be paid to the person who undertakes the care of the child in accordance with rules made by the Local Government.

5. *Dismissal af woman during confinement.*—Where a woman is absent from her work in accordance with clause (*a*) or clause (*b*) of section 3, it shall not be lawful for her employer to give her notice of dismissal during such absence or at such a time that the notice would expire during such absence.

6. *Penalty for contravention of Act by employers.*—An employer contravening any provision of this Act or any rule made thereunder shall be punishable with fine which may extend to five hundred rupees.

7. *Powers of Local Governments to make rules.*—Every Local Government shall make rules—

(*a*) for the establishment of Maternity Benefit Fund; for fixing the amount of contribution to be paid to it by each factory or mine or estate; for the collection of the contributions and for the management and safe custody of the fund ;

(*b*) for determining the manner of payment of the benefit to the person entitled to receive it; and

(*c*) for fixing the amount of benefit to be paid under this Act.

8. *Duties and powers of Inspectors.*—The Inspector of Factories or the Chief Inspector of Mines or an Inspector of Mines or an Inspector of Estates shall have and perform the same powers and duties for the purpose of clauses (*a*) and (*b*) of section 3, and section 5 as they have and perform for the purpose of the Indian Factories Act, 1911, the Indian Mines Act, 1923, and the Assam Labour and Emigration Act, 1901, respectively.

Statement of Objects and Reasons.

The object of this Bill is twofold:—Firstly, it is intended to prohibit the employment of women in those industries the work in which is regulated by law, six weeks after confinement, to enable them to leave work six weeks before confinement and to prevent them from being dismissed from service during the days of their absence from work due to their advanced state of pregnancy and confinement. Secondly, during the period of her absence due to the above-mentioned reasons a woman worker should be provided with financial help sufficient to maintain herself and the child in a healthy condition. The money necessary for this purpose is to be raised by the Local Government by levying contributions upon the industries covered by the Bill in the form of a small cess on the products of the industries or in some other convenient form to be decided by the Local Government. The amount to be given to each woman entitled to receive the benefit and the manner of payment and other matters connected with the Bill are left to be settled by the Local Governments by rules made by them.

The Bill seeks to carry out some of the proposals contained in the Draft Convention passed at the first International Labour Conference held at Washington in 1919. If India desires to secure her proper place among the civilised nations of the world she cannot plead her inability to treat her woman workers in the way in which civilised nations are expected to do. Moreover, there seems to be a natural desire in the country for rapid industrialization. But if Industrialism is to be an unmixed blessing to the working classes, timely provision must be made to avoid and counteract the evils incidental to the introduction of the new system. There is no doubt that if women continue their long and arduous work in factories, mines and other organised industries even in an advanced state of pregnancy and immediately after confinement their health and the health of their children will not fail to suffer.

Provision of maternity benefit during the days of enforced absence is necessary as without such provision, mere prevention of

work will be a measure of doubtful utility. It is but fair that the financial burden of the provision of the maternity benefit should fall upon industries that employ women with their natural sex disabilities. Moreover, as only small proportion of women out of the total number of women employed will be eligible for the maternity benefit during the course of the year, the incidence of the burden will be very small. To prevent women workers from being dismissed some time before they become entitled to the maternity benefit it is necessary that the maternity benefit should be paid out of the general fund and not by individual employers. As the welfare of labour is a Provincial subject it is only proper that the working out of the scheme for the maternity benefit should be left to Local Governments.

N. M. JOSHI.

Bombay, the 2nd July 1924.

No. T-1443, dated 4th December 1924.

From Chamber to the Government of Bombay, General Department.

With reference to your letter No. 1066-11211-D, dated the 11th November 1924, my Committee will be much obliged if you will be kind enough to supply them with information as to which countries have got legislation on the lines of the Bill introduced by Mr. Joshi in the Legislative Assembly. You will also kindly specify as to which countries have got legislation on these lines following the Convention passed at the Washington Conference and which countries had it previously.

No. 1066-11211-D, dated 9th January 1925.

From the Government of Bombay, General Department to Chamber.

Subject:—Maternity Benefit Scheme.

In reply to your letter, No. T-1443, dated the 4th December 1924, on the subject noted above, I am to say that most countries have some form of legislation dealing with problems relating to maternity benefits, but in practice considerable diversity of method prevails in different countries. The countries which had introduced legislation before 1920 are (1) Great Britain, (2) France, (3) Italy, (4) Belgium, (5) Denmark, (6) Russia, (7) South Africa and (8) Japan. South Africa enforced an abstention of 12 weeks-four weeks before and eight weeks after the date of birth. Great Britain, Italy and Denmark enforced an abstention of four weeks after confinement. All legislation in the countries referred to above is believed to be prior to the Washington Conference. Subsequent to the Conference the following countries have passed Acts on the subject of maternity up to October 1923:—

(1) Austria, (2) British Columbia (Canada), (3) Japan and (4) Kingdom of Serbs, Croats and Slovenes.

The following countries have introduced Bills on the same subject:—

(1) Argentine, (2) Brazil, (3) Chili, (4) Czechoslovakia, (5) Denmark, (6) France, (7) Italy, (8) Norway, (9) Portugal and, (10) Roumania.

I am to add that no information subsequent to October 1923 is available.

No. T.-1501, dated 22nd December 1924.

From Chamber to the Government of Bombay, General Department.

With reference to your letter No. 1066-11211-D, dated the 11th November 1924, I am directed to send hereby views of the Committee of this Chamber.

My Committee find from a chart given with the issue of "Industrial and Labour Information", Vol. XI, No. 13, dated 29th September 1924, of the International Labour Office, that not a single country which is a member of the International Labour Conference as yet has got any legislation following the Convention passed at the First International Labour Conference held at Washington in 1919. If none of these countries, several of which are industrially more advanced than India, have up to this time not thought it proper to put into effect the Washington Convention with reference to Child Birth, there is no reason why India should be called upon to undertake legislation with reference to the same, nor can my Committee understand why it is sought to bring under the influence of the Bill only industries and not agriculture, building trade and the other occupations wherein women are employed. All these other non-industrial occupations must be engaging a much larger number of women than the number engaged in industries. If it is necessary to provide for maternity benefits in industries it follows that the same rule should hold good with regard to agriculture, building trade and other occupations. My Committee are thus opposed to undertaking any legislation on the lines proposed in the Bill introduced by Mr. Joshi in the Legislative Assembly. If however the Legislature considers that it is essential to have such legislation for India, my Committee emphasise that any expenditure on this score should not be realised in the form of a cess on industries only but should be paid from the revenues of the State and should be the responsibility of the State i.e., of the general taxpayers. If the State accepts this principle that the health of women workers is one of its concerns there is no reason why a particular community should be taxed for this purpose and not the whole body of taxpayers,

(G) GENERAL TRADE AND INDUSTRY.

APPENDIX 70.

DEPARTMENT OF INDUSTRIES OF THE BOMBAY GOVERNMENT.

No. C.-2248-2495 dated 7th April 1924.

Department of Industries, Bombay.

Circular.

As instructions have been received to close this department without delay it is requested that no correspondence on new subjects should be addressed to it.

2. The sending of reports, periodicals and other publications should also be discontinued.

No. T-481, dated 30th April 1924.

From Chamber to the Government of Bombay (Transferred Subjects), General Department.

The attention of the Committee of this Chamber has been drawn by their representative on the Advisory Committee of the Director of Industries to a resolution passed by it opposing abolition of the Department of Industries. My Committee are at the same time surprised at the decision the Government of Bombay (Transferred Subjects) have come to regarding this Department as they are informed by their representative on the Bombay Legislative Council that

no such resolution was passed by that body. He further informs us that it was agreed by the Hon. the Minister and the Secretary with him in the presence of the Hon. the Member of Revenue that the Department was to be continued. Under that arrangement our representative agreed to have the cut proposed by him reduced to such figure as would enable Government to maintain the said Department of Industries. The Hon. the Minister for Education and Industries undertook himself to effect a cut of Rs. 75,000 but so far as my Committee are informed there was no mention of the abolition of the Department of Industries beyond the promise of transferring the present Director of Industries and thus effecting a saving of Rs. 36,000. My Committee have not been satisfied with the work of the Department of Industries and yet they cannot approve of its wholesale abolition. It may well be carried on on what grant has been sanctioned by the Legislative Council. The Department has already spent several lakhs of rupees and to close it now would mean practically throwing away all that amount. It must have got important records also and to distribute them among different Departments would be to destroy their utility. My Committee hence accord their support to the resolution recently passed by the Advisory Committee to the Director of Industries and hope that Government will be pleased to continue the Department of Industries though on a reduced scale with an Indian at its head.

No. 4637-4560-D. dated 31st July 1924.

From the Government of Bombay, General Department to Chamber.

Subject:—Retrenchment in the Department of Industries.

With reference to your letter No. T-481, dated the 30th April 1924, on the subject noted above, I am directed by the Government of Bombay (Transferred Departments) to forward herewith for your information a copy of Government Resolution No. 4637, dated the 17th June 1924, issued in the matter.

Government of Bombay, General Department, Resolution No. 4637, Bombay Castle, 17th June 1924.

Letter from the Director of Industries, no. C—2248/2263, dated the 24th March 1924:—

"With reference to Government memorandum, General Department, no. 4637-D, dated 12th March 1924, instructing me to make the maximum possible retrenchment in the Department, and to offer suggestions for the carrying on of any necessary activities, I have the honour to enclose a draft budget revised in accordance with the orders of Government and to report as follows:—

"2. At the outset I venture to suggest that Government should consider what its policy is likely to be in the near future, say, the next two or three years—regarding any proposal to revive the Department of Industries as a permanent part of the administrative machinery. There has never been at any time during the last five years any real opposition to the existence or operations of the Department, but rather the reverse. Attacks have been directed almost entirely against the appointment of Director. The main objections (which have not been confined to this appointment) are two, *viz.*, that the salary is excessive and that the appointment should be held by an Indian. It is this fact which explains why calls for retrenchment in the Department have been accompanied by demands for an extension of its functions, e.g., by entrusting it with the purchase or control of the purchase of Government stores. A demand for the revival of the Department is almost certain to arise in the near future and the attitude which Government are likely to adopt towards such a demand affects some of the arrangements now proposed for winding up the existing Department.

"3. It has proved impracticable to close down the activities of the Department by the end of this month. In any case, to the permanent clerks employed here, 3 months' notice of termination of employment must be given and in my opinion, it is highly desirable that the Department should be closed down with due care and the

services of the clerks used for 3 months or until they are provided for elsewhere. I therefore assume that the appointment of the Director of Industries will be continued for the purpose of winding up the Department until the end of May.

"4. In this connection, I would draw particular attention to Mr. Bell's note of the 10th of January 1923, un-official reference no. C—4 to Revenue Department and to this office letter no. C—2248/1556, dated 23rd March 1923. I concur heartily with Mr. Bell that, if the activities of the Department are to be restricted, it would be useless to continue it as a sub-department under either a Deputy Secretary or some other officer such as the Director of the Labour Office. My proposals, therefore, contemplate the handing over of the Factory, Boiler and Smoke Nuisances Departments to another officer and the distribution of those special industrial activities which cannot be immediately stopped, among officers of other Departments.

"5. With regard to the Factory, Boiler and Smoke Nuisances Departments, I much regret the decision of Government to abolish the post of Director as, in my opinion, the work now being done by the Factory Department, and, more specially, the work which must in the future be done under the recognised Departments, is of such vital importance to the well-being of the Presidency that it is false economy to transfer the control of these Departments to an officer who may not have time to supervise it properly. For a number of years Factory Inspection has been limited both by the number and quality of the staff. Factory Inspection has now been separated from Boiler Inspection and we are in process of recruiting a staff which is technically and educationally qualified to do the work required. Further, under the new Factory Act, the control of factories must be far greater than it has been in the past and the work will require careful administrative supervision. Its importance has perhaps not been realised. The experience of England in the beginning and middle of the last century gives an indication of the horrors which accompany uncontrolled industrialism and public opinion is already alive to the prospect of such developments being repeated in the country if there is not vigorous and efficient factory

inspection. The leaders of the labour movement already exercise sufficient influence on public opinion to ensure that the Department must be so organised as to enable it to stamp out labour conditions which are below a recognised standard. All the best employers are interested in maintaining this standard and preventing unfair competition through the exploitation of labour by unprincipled factory owners. For reasons which may be described as national, the Department of Factory Inspection must continue to develop in order to meet the growing complexity of industry and of industrial legislation. Again, there seems little doubt that the Workmen's Compensation Act will immensely increase the work of the Factory Department and that Factory Inspectors will be continually called upon to give evidence in cases under the Compensation Act. The Boiler Department, though important in its functions, has probably not so great an effect on the lives of large numbers of people. The explosion of a boiler irregularly passed or inefficiently attended may destroy a certain number of operatives, but it will not lead to injury to the health of hundreds such as inadequate factory inspection will.

"6. However, I have to suggest the immediate future of the control of these Departments. I have talked with the Collector of Bombay who informs me that he has now more work than he can deal with. That formerly the Collector of Bombay was in charge of them is not necessarily a proof that he should now take them over. Then the work was almost entirely confined to Bombay, with possibly a man at Ahmedabad and occasional tours in the mofussil. We have now in the Factory Department a Chief Inspector, an Inspector in Bombay, an Inspector and an Assistant Inspector in Ahmedabad, an Assistant Inspector in the mofussil and a combined Factory and Boiler Inspector in Sind who must soon be replaced by one Inspector for Boilers and another Inspector or Assistant Inspector for Factories. This is apart from any possible provision in future for Lady Inspectors. In the Boiler and Smoke Nuisances Department we have a Chief Inspector and nine Inspectors.

"7. I agree with the reasons given by Mr. Bell against placing these Departments under the Director of the Labour Office and

would add that in my opinion the functions of the Labour Office which necessitate impartiality, as between the employers and the employed, in the collection of statistics and information, make it unsuitable as the administrative controlling Department of factory inspection or of boiler inspection. This has been recognised in Great Britain where Factory Inspection is under the Home office, while labour matters are dealt with by the Ministry of Labour.

"8. I would venture to suggest to Government that now that the Salt Department has been separated from Excise, it might not be too heavy a task for the Commissioner of Excise if the Factory, Boiler and Smoke Nuisances Departments are placed under him. This would secure the advantage of a senior and experienced officer as controlling officer for the Departments, with headquarters in Bombay and also some touring duties which would certainly be beneficial to the activities of the Factory and Boiler Inspectors up-country. I may add that if the final proposals on the draft rules on the Boiler Act are submitted by Mr. Bell before the end of May, all the requirements in this respect of recent Factory and Boiler Legislation will have been met, while the reorganisation of both Departments is virtually complete. I have mentioned the matter to the Commissioner of Excise and I understand that he would not raise serious objections to these Departments being placed under his control. I would suggest, therefore, that if Government approve, he be notified as Director of Industries for all purposes of the Factory, Boiler and Smoke Nuisance Acts. Such notification would probably avoid considerable delay in getting out the detailed notifications required under the various Acts.

"9. If Government do not agree with my view that a senior and experienced officer as controlling Head of these two Departments is still required then I would suggest for the consideration of Government the possibility of entrusting the Departments to the Chief Inspector of Factories and Chief Inspector of Boilers directly under Government even if these officers had to be remunerated more highly than at present on account of their extra responsibility.

"10. As regards the other activities of this Department, that

of industrial education, as distinct from technical education, is almost entirely connected with weaving demonstrations and weaving schools and should be handed over to the control of the Registrar of Co-operative Societies. As the weaving side of this Department is fairly self-contained, the control could be handed over without much trouble. I would also propose that the Assistant Director, Mr. Bharucha should be posted, at any rate temporarily to the Co-operative Department, as his experience would be of value to that Department in connection with the demonstration of automatic handlooms now in progress at Dhulia. It is desirable also to retain him in Government service for a short time longer until the Excise Department have finished the disposal of the distillery stock which he is conducting.

"11. As regards the scholarships to research scholars and electrical engineering, entered in the budget, these are already held and the amounts must remain. Their control should be handed over to the Director of Public Instruction.

"12. As regards industrial development, the experiments on casein may be closed down and the demonstration factory at Anand dispersed. Of the other experimental works, Rs. 5,000 will have to be allotted to the Commissioner in Sind for continuation of the trona experiments, Rs. 5,000 to the Forest Department for experiments with the rosha oil still which was specially built in England and has recently been tested at the Victoria Jubilee Technical Institute preparatory to being sent to Khandesh, and Rs. 2,000 to the Co-operative Department for experiments in automatic handlooms. The proposal to continue the working of Messrs. Tata's Ghisar factory with a view to securing an odourless artificial vegetable ghee and the experiments in connection with sardines on the Kanara coast may be abandoned.

"13. The pottery demonstration charges must continue as the semi-commercial plant has only recently been got into working order and is now doing well and probably will be a financial success, *i. e.*, it will make a cash profit to Government. The control of this may

be left with Mr. Fern of the School of Art under, I suggest, the Secretariat, as this commercial effort is hardly a matter with which the Director of Public Instruction can be expected to have much concern.

"14. Of the industrial part of this office I would propose no further retention. The library may be distributed at the discretion of the Director, among the Royal Institute of Science, the Sydenham College of Commerce, and the Victoria Jubilee Technical Institute. A large amount of valuable statistics and information has been collected in the Industrial Intelligence Bureau. Some of it is irreplaceable if destroyed, most of it is valuable and could only be compiled again after enquiries lasting a few years. It would be useless, indeed dangerous, to retain it merely in charge of a clerk for the purpose of answering enquiries and its disposal, which depends indeed on the opinion expressed by Government on paragraph 2 of this letter, requires further consideration.

"15. As regards the miscellaneous activities of this Department, I propose the retention of one clerk to deal with the British Empire Exhibition. His post should be attached to the General Department of the Secretariat. It is quite impossible at this stage to do without him. I give below a list of other miscellaneous activities of the Director of Industries.

(I) Chairmanship of the Victoria Jubilee Technical Institute. I would most earnestly request that the present practice of appointing an official to this post should continue. Government have contributed nearly a quarter of a crore in capital grants—in the last year Rs. 6,80,000—and the annual grant to the Institute (Rs. 1,25,000) is large. The Institute has recently emerged from a most unfortunate experience due, I am afraid, partly to lack of supervision and now that it is on a firm footing, it will, in my opinion, be a grave mistake if Government give any opportunity for laxity to occur again. Indeed it was an essential feature of the scheme of reconstruction that the Board should be under the Chairmanship of a permanent official and that the appointment should, if possible, be

held ex-officio in order to secure continuity. I consider it absolutely necessary that a fairly senior Officer stationed in Bombay who has time to keep an eye on the progress and especially the financial condition of the Institute should be appointed. It is impossible for Government to insist on a non-official Chairman paying due attention at a critical period of the Institute's growth and the sums contributed by Government are too great to be lightly risked. I would propose further that one clerk from this office should be transferred to the General Department to deal with Victoria Jubilee Technical Institute matters and with others to which I shall refer later.

(2) Chairman, Committee of Direction for Technical Education. If an official is appointed Chairman of the Victoria Jubilee Technical Institute he should undertake this work also.

(3) Member, Advisory Committee, College of Engineering, Poona. May be dropped.

(4) Member, Advisory Committee, Royal Institute of Science. May be dropped.

(5) Trustee, Prince of Wales Museum. May be dropped.

(6) Member, Co-operative Conference Committee. May be dropped.

(7) Member nominated by Government on the Railway Advisory Committees. May be dropped.

(8) Chairman of the Committee on standardization of Weights and Measures. Mr. Bell on his return may be able to complete this work which, as the draft of the report to be considered is his, I am hardly in a position to do.

(9) In addition, the Director of Industries has been instructed by Government to scrutinise all hospital and jail contracts. The effect of such scrutiny has not yet been estimated, but it is already clear that considerable economies have been effected by the centralisation of control. The Inspector General of Prisons and the Surgeon

General might be consulted by Government as to the value of the work done by the Director of Industries so far. If any such scrutiny is to be made in future in the Secretariat, I would suggest the handing over of the scrutiny records from this Department which contain a good deal of useful information, plus one clerk who should also deal with the Victoria Jubilee Technical Institute matters, to the Secretariat.

"16. My proposals subject to Government's decision on paragraph 2 of this letter are therefore—

1. Abolition of the 'Industries' activities of the Department.

2. Transfer of control of Factory and Boiler and Smoke Nuisances Departments to the Commissioner of Excise, Bombay.

3. Transfer of Industrial Education to Co-operative Department.

4. Transfer of Technical Scholarships to Director of Public Instruction.

5. Transfer of experimental work as below :—

(*a*) Pottery to Mr. Fern at School of Art under control of General Department.

(*b*) Rosha Oil to Forest Department.

(*c*) Trona to Commissioner in Sind.

6. Appointment of a fairly Senior official as Chairman, Victoria Jubilee Technical Institute and Chairman, Committee of Direction for Technical Education.

7. Transfer of British Empire Exhibition work to General Department, Secretariat.

"17. These proposals involve the following transfers of posts :—

(*a*) to the Co-operative Department.

1 Assistant Director.

1 Clerk on Rs. 60—4—100—3—160.

2 Peons for Assistant Director.

3 Weaving Assistants.

23 Weaving Instructors and Demonstrators.

3 Peons.

(*b*) to the School of Art, Pottery Section.

1 Clerk on Rs. 60—4—100—3—160.

(*c*) to the General Department, Secretariat.

2 Clerks on Rs. 110—10—150.

"The proposals mean the abolition of the following permanent posts :—

1 Head Clerk on Rs. 250—20—350.

1 Clerk on Rs. 175—10—225.

1 Superintendent of Bureau on Rs. 200.

4 Clerks on Rs. 85—5—100.

6 Clerks on Rs. 60—4—100—3—160.

1 Stenographer on Rs. 140 *plus* 40.

3 Peons on Rs. 10 each = Rs. 30 and 1 Boy Peon on Rs. 8.

"These men will be entitled to compensatory pension or gratuity unless provided with suitable posts elsewhere. I am endeavouring

to secure transfer for as many as possible, but it may be necessary to transfer Rs. 5,305 to Budget Head 45. Of this Rs. 2,450 is recurring and Rs. 2,855 non-recurring.

"18. The budget transfers required will therefore be—

	Rs.	
Co-operative Department	70,300	
Forest Department	5,000	
Educational Department	7,100	
leaving under 'Industries' (under control of General Department)—		
Pottery demonstration	19,000	
	1,524	
	324	
		20,848
Trona experiments (Commissioner in Sind)...	5,000	
British Empire Exhibition	1,600	
Victoria Jubilee Technical Institute ...	1,400	
Leave allowance, etc.	400	
		8,400
For rounding...	52	
		29,300
Superannuation, etc.	2,450 Pension (Recurring).	
	2,855 Gratuity (non-recurring).	

Regarding the last item, if clerks, etc., can be accommodated elsewhere, part of this provision will be available for transfer to the Department where any clerk may be accommodated, in order to

prevent excess in that Department's Budget provision due to the clerk being transferred on his present pay instead of the vacancy being filled by a new recruit on minimum pay.

"19. I should be glad of early information regarding Government's decision on paragraph 2 as that may involve modifications in the above.

"20. On these proposals the retrenchment will amount to approximately Rs. 1,00,000, with further saving if Mr. Bell can complete closing down earlier than the end of May."

Letter from the Director of Industries, no. C—2248/2706, dated the 29th May 1924:—

"I have the honour to report that except the head clerk, Mr. C. P. Killawala who has retired and received an appointment on the Municipality, and the bureau clerk, Mr. G. M. Kalelker, who will retire in the circumstances mentioned in my letter no. D-1623-2586, dated 15th April 1924, all the clerks in the Department have obtained appointments in other Government Departments.

"2. Mr. Knight in his letter no. C.-2248-2263, dated 26th March 1924, suggested that the appointment of one clerk should be transferred to the Co-operative Department, one to the School of Art and two to the General Department.

"3. The two clerks proposed for transfer to General Department were to do work relating to (1) hospital and jail contracts, (2) Victoria Jubilee Technical Institute and (3) the British Empire Exhibition. No orders have issued about (1). I can carry on the duties of the Chairman of the Victoria Jubilee Technical Institute without a special clerk. I understand that I shall be required also to continue the work under (3) but there is nothing like sufficient work at present to justify a full time clerk. I therefore propose to get the work in connection with the British Empire Exhibition done in whatever office I am working or by a clerk in his spare time; in the latter case he can be suitably rewarded later by an honorarium.

"4. One clerk will be transferred to the School of Art as arranged by Mr. Knight; the Superintendent of Pottery Section will shortly require a full time clerk.

"5. I made no arrangements to transfer a clerk to the Co-operative Department because the clerical work in connection with the Weaving Section is trifling. Most of it is done by the weaving Assistant when he is not on tour and the balance which has to be done when he is on tour is trifling and amounts to only a few hours per month. In these circumstances there was no justification for transferring a clerk (on a Bombay scale of pay) to Poona.

"6. I understand however that it is now proposed to retain Mr. Bharucha in Bombay where he will meantime have charge of the office records and library. In these circumstances I propose that a special post of a clerk under him should be created on Rs. 130—10—180 and that it should be filled by Mr. S. Y. Anandkar who is the most suitable member of the old staff for the purpose. (The circumstances mentioned in my letter No. D-1623/2586 dated 15th April 1924 explain why it is not proposed to retain the services of the present bureau clerk Mr. G. M. Kalelkar.)

"7. Mr. Anandkar was originally in the office of the Marine Biologist on the scale of Rs. 110—10—150. On the abolition of the fisheries section he had to revert to the Lower Division of this Office where he was recently drawing Rs. 103 in the grade of Rs. 60—4—100—3—160. On the abolition of the Department he was provided by the Post Master General with a post on Rs. 105 in the grade Rs. 100—5—140 but he has wider prospects than he had in this office. The Post Master General is willing to release him and I recommend him for a special pay of Rs. 130—10—180. He is a useful all round clerk and will do admirably for putting and maintaining the records, library, etc., in good order besides doing Mr. Bharucha's clerical work. He deserves a special pay on his past services and the work now to be entrusted to him and it is to his credit that he is willing to return to his old department, when he knows by experience the precarious nature of his services in it.

"8. Mr. Anandkar will begin his duties before the expiry of the period of engagement (two months) of the typist for whom sanction was asked in my No. C-2248/2620 dated 19th May 1924."

RESOLUTION.—*Paragraphs 2 to 4 of the Director's letter.*—Government are of opinion that in view of the very limited activities of the Department, the post of the Director should be abolished and the main activities should be distributed among other officers for the present. They will be prepared to re-create the Department if and when the financial position becomes easier.

2. *Paragraphs 5 to 9.*—After a careful consideration, Government have decided that the control of the Factory, Boiler and Smoke Nuisances Departments should be transferred to the Collector of Bombay who will be the administrative head of the Department for the present.

3. *Paragraph 10.*—The control of the weaving section should be transferred to the Registrar, Co-operative Societies, under the guidance of the *Ex* Assistant Director of Industries who should be styled Superintendent, Weaving.

4. *Paragraph 11.*—The activities of the Department in respect of research scholarships and electrical engineering should be handed over to the Director of Public Instruction under the Educational Department.

5. *Paragraph 12.—Industrial Development.*—The demonstration factory at Anand dealing with casein experiments should be closed. The other minor activities should be dealt with in the manner proposed by the Director.

6. *Paragraph 13.*—The Pottery section with Mr. Fern of the School of Art should be continued with the aid of one clerk.

7. *Paragraph 14.*—Pending further orders, the library should remain in charge of the Superintendent, Weaving.

8. *Paragraph 15.*—The Exhibition work should be carried on under Mr. Bell as long as the latter remains attached to a post in Bombay as suggested by him in paragraph 3 of his letter no. C—2248/270 , dated the 29th May 1924.

9. *Paragraph 15* (1).—Mr. Bell should continue to be Chairman, Victoria Jubilee Technical Institute, as long as he is posted in Bombay and he should also serve as Chairman, Committee of Direction for Technical Education. The membership of the several committees, etc., referred to in paragraph 15 (3) to (7) should be dropped.

10. *Paragraph 15* (9).—Orders regarding the scrutiny of hospital and jail contracts will issue separately. In the meantime the work should be carried on by the Superintendent, Weaving.

11. *Paragraph 17* (*a*).—The transfer of the proposed establishment to the Co-operative Department with the exception of one clerk is approved.

12. Such of the clerical establishment as is no longer required should be abolished and the incumbents should be provided as far as possible elsewhere. Those who cannot be provided should retire on compensatory pension or gratuity. The Superintendent, Weaving, should for the present remain in charge of the records of the Department and should carry on the work of the Department with the aid of one clerk as proposed by the Director in paragraphs 6 and 7 of his letter, no. C—2248/2706, dated the 29th May 1924, as a special case. His office should remain in Bombay.

13. *Paragraph 18.*—Orders regarding the transfer of budget grants from the head 35—Industries to other appropriate heads will issue hereafter.

No. T-1199, dated 25th September 1924.

From Chamber to the Government of Bombay, General Department.

I am directed by the Committee of this Chamber to reply to your letter of the 31st July 1924, No. 4637-4560-D,

2. It appears from the Government resolution that Mr. Bharucha who was Assistant Director of Industries has been transferred to the Co-operative Department and is styled Superintendent of Weaving. My Committee would like to know who is dealing with all the references relating to Industries. They will also be obliged if you will at the same time kindly give the number of commercial and industrial enquiries received by the Government and the number of answers sent by them. The arrangement which the Government have made at present under the resolution is not at all satisfactory and not calculated to be of any use or help to the industries of a Province regarded as the most industrial of all the Provinces of India. Industries is a transferred subject and as such it is naturally expected that the views of the public and their representatives on the Council should find a satisfactory response with reference to it. It is a matter therefore of the deepest regret to my Committee that even with regard to such a transferred subject some forces have been at work setting aside the opinion of the Council. My Committee have reason to believe that circulars were issued by the Director of Industries to the public announcing the closing of the Department even before the issuing of the Government resolution. My Committee also received a copy of this circular and would like to know if this circular was authorised and if it was so, the reason or reasons for issuing the same. The Government have upto now, so far as my Committee are aware, offered no explanation to the public or the Council of the extraordinary procedure adopted in this matter and my Committee hope that such an explanation will be forthcoming at an early date.

3. In this connection I am directed to draw the attention of the Government to the Report of the Proceedings of the Bombay Legislative Council containing the discussion on the total demand for the Department of Industries. The Honourable Mr. Jadhav, Minister for Industries, is reported to have said :

> "Sir, the question of the efficiency or otherwise of the Department of Industries has been discussed here, and I am very much obliged to my honourable friends for reading

some portions of my speeches on this question during the years 1922-23. I say for myself that the criticisms that were pertinent in those days continue to be so. I myself am not satisfied with the working of this Department. I understand from the discussion here that the chief objection that lurks in the minds of the honourable members is, that a Director drawing Rs. 35,000 a year is not necessary. We too think the same. But as this salary is a non-votable item, we cannot withdraw that item without the sanction of His Excellency. We are willing to represent this to His Excellency and we are sure that His Excellency will think it proper to give his consent to the abolition of that post. Including the salary of the Director, I am prepared to accept a cut of Rs. 75,000 from this budget. I think that will be considered satisfactory."

Further on he emphasised :—

"I think the maintenance of this Department is necessary for the advance of the Industries in this Presidency, and when the expensive head of that Department is taken away, the Department may be expected to work satisfactorily during the next few years for the sum that will be expended by it. Of course, I need not remind the House that they will have an opportunity of passing its judgment on the working of this department twelve months hence."

Nothing can be clearer than this to show that neither the Hon'ble Minister nor the Council wanted the Department of Industries to be abolished when the agreement was arrived at. The Honourable Minister's offer was to reduce the demand for Rs. 2,11,000 by Rs. 23,000 and this reduction was actually ultimately proposed by the representative of this Chamber and agreed to. The total demand was to be further reduced by Rs. 35,000 being the salary of the Director of Industries with the consent of His Excellency. The balance would have been quite sufficient to continue the De-

partment under an Indian Director of Industries. My Committee cannot understand how this arrangement came to be unsettled, and the Department abolished. Even the Director of Industries in his letter dated the 24th March 1924, No. 2248-22063 observed:—

> "There has never been at any time during the last five years any real opposition to the existence or operations of the Department but rather the reverse. Attacks have been directed almost entirely against the appointment of Director. The main objections (which have not been confined to this appointment) are two *viz*: that the salary is excessive and that the appointment should be held by an Indian. It is this fact which explains why calls for retrenchment in the Department have been accompanied by demands for an extension of its functions *e.g.* by entrusting it with the purchase or control of the purchase of Government Stores."

4. What my Committee feel is that the abolition of the Department of Industries has been carried out inspite of the unanimous opinion to the contrary of the Honourable Minister in Charge of Industries, the Advisory Committee to the Director of Industries, the Bombay Legislative Council and the General public.

5. My Committee hope in conclusion that the Department will be re-instated as early as possible in view of the fact that the interests of Industries are otherwise likely to suffer.

No. 4637-D., dated 10th November 1924.

From the Government of Bombay, General Department, to Chamber.

Subject:—Retrenchment in the Department of Industries.

In reply to your letter no. T.-1199, dated the 25th September

1924, on the subject mentioned above, I am directed to inform you that the Department of Industries was partially abolished as a measure of retrenchment, many of its activities being retained under different controlling officers. The library and the records of the Department are however kept in tact.

2. I am to add that Government have at present under consideration the question of re-organising the Department.

APPENDIX 71.

ESTABLISHMENT OF RAILWAY INDUSTRIES IN INDIA.

No. T-371, dated 7th April 1924.

From Chamber to the Government of India, Commerce Department.

I am directed to request you to furnish my Committee with definite information in regard to the attitude of Government towards railway industries in this country and for a clear expression of Government's policy in this direction because it appears from information which has been placed at the disposal of my Committee by one of the members of the Chamber that in some respects the present position of Government is at variance with what the public have been led to believe to be the expressed policy of the Government of India.

It has been pointed out to my Committee that in February-March 1921 there was a debate of the Railway Industries resolution in the Assembly, and this resolution was definitely accepted by Government leading to the appointment of the Railway Industries Committee. On this Committee sat as Chairman the present Commerce Member of the Government of India and in it was included

the present Chief Commissioner for Railways. This Committee besides establishing definite rules for price-comparisons expressed that it was desirable to bring into existence new industries for the manufacture of railway materials but it was not to be expected that such industries could compete with older established manufacturers in foreign countries without definite assistance or subsidy. The amount of such subsidy or the nature of such assistance was to be determined by the Tariff Board. In their communique of 30th September 1921 the Government again expressed themselves as anxious to make this country self-sufficient in railway materials and specifically in the matter of locomotives, with reference to which that communique was issued. At the time of the discussion of the programme of Rs. 150 crores for five years in September 1921 the question of spending as much of this money in India as possible was definitely raised and clear assurances were given by Sir Malcolm Hailey, the then Finance Member, and Sir Charles Innes in the course of the debate. The position now is that arrangements for three years out of the said period of five have been made without any advance being secured in the direction mentioned above.

My Committee have every confidence that Government are not unmindful of the strong desire of the Indian public to see progress on these lines but they seek more precise information as to the steps taken by Government, and they would be gratified if they were informed if Government have tried to find out what are the serious obstacles in the way and if there are any such serious obstacles, what further steps should be taken before the specified period of railway programme on an extensive scale expires, in order to secure the establishment on a firm basis of some of the industries manufacturing material for railways.

It has been further pointed out to my Committee that there has been a very serious departure from the original declaration of Government that they would be in the market for 160 locomotives every year in the initial period and 400 thereafter. My Committee desire this information because they are told that even the reduced number has not been ordered in India.

My Committee have been informed that the bulk of locomotives for which tenders have been called for this year are for the East Indian Railway Company and that the decision on the tenders received including that from the Indian manufacturers would be arrived at not by the Government of India but by the Board of the East Indian Railway Co. If this is so, my Committee would desire to know whether the expenditure towards these locomotives is to be incurred under the grants for capital expenditure for Railways sanctioned this year by the Assembly. They would like it to be made clear whether they are to expect that capital expenditure for Railways is or is not governed by the various declarations of policy made by Government from time to time and if it is so governed, how the Government expect to secure this result by leaving the decision in the hands of the Board of Directors of the East Indian Railway Co. Apart from the fact that any locomotives ordered now would not be delivered till after the management has been taken over by Government, my Committee feel very apprehensive with regard to the proposal for the separation of railway finances if the definite purpose of public policy can be defeated by departmental action of this character and if the views of the Indian commercial community which have been repeatedly expressed on this subject and which have secured acceptance of Government can be got round in actual practice.

An early reply to this communication is requested in order to enable my Committee to give definite instructions to their representative for the session of the Assembly which meets at Simla in May.

No. 2685-S. dated the 22nd of May 1924.

From the Railway Board to Chamber.

I am directed to reply to your letter No. T-371 of the 7th April 1924, to the Secretary to the Government of India in the Department of Commerce, in which the Committee of the Indian Merchants'

Chamber ask for definite information in regard to the attitude of Government towards railway industries in India and a clear expression of Government's policy in this matter.

2. The reports of the Indian Tariff Board which have been published since your letter was written give a clear account of the difficulties which railway industries in this country are likely to encounter, and your Committee are now also aware of the Government of India's proposals for meeting them. They propose to give direct assistance towards the establishment of two most important railway industries by granting bounties for the manufacture in India of steel rails and fish plates and of wagons, and the further proposals embodied in the Bill, which will be placed before the Legislative Assembly at the forthcoming session, for the imposition of protective duties on certain articles are also designed to assist the establishment in India of industries whose products are largly used by railways. In addition, the Government of India have with their resolution No. S-217, dated the 16th May 1924, in the Department of Industries and Labour, issued revised stores purchase rules, the effect of which should be to increase the purchase of articles of Indian manufacture by Government Departments; and they have clearly stated their policy, in the preamble to these rules, as that of making their purchases of stores for the public service in such a way as to encourage the industries of the country so far as is constitent with economy and efficiency. It is only, therefore, with regard to the locomotive industry, for assistance to which the Indian Tariff Board found themselves unable to make any recommendation, that your Committee appear to require further information as to the attitude and intentions of Government.

3. In the first place, I am to explain that the communique of the 1st October 1921 to which a reference is made in your letter, gave no formal undertaking that the Government of India would be in the market for 160 locomotives in each of the years 1923 and 1924 and for 400 locomotives thereafter. These figures were merely the estimate at the time of the locomotives likely to be required; the undertaking was only that tenders would be invited in

India for actual requirements. Since 1921, however, as a result of action taken on the reports of the Committees presided over by Sir William Acworth and Lord Inchcape, and of steps taken independently by the Railway Board to secure the economical working of railways, the position has entirely changed. The adequacy of the existing stock on the railways to handle the traffic offering or likely to be offered has been reviewed in detail; measures have been taken to obtain a better use from it; facilities are being provided for the quicker execution of repairs, thus increasing the number of engines in commission at any one time; and in addition, the electrification of suburban and other sections of the Great Indian Peninsula, Bombay, Baroda and Central India, East Indian and Eastern Bengal Railways, which is either proceeding or in contemplation, will set free a large number of locomotives for use elsewhere and at the same time reduce the annual requirements for replacements. The cumulative effect of these measures must be that a longer time will elapse before additions to the existing stock of locomotives are justified by an increase in traffic; and that renewals will be to a considerable extent suspended, since locomotives no longer fit to run will be scrapped without replacement until the excess is absorbed. In these circumstances, and unless there is a growth of traffic far more rapid than any present indications suggest, there is no likelihood that the figure of 400 locomotives estimated in October 1921 as the annual requirements after 1924 of State-worked railways will be approached; and actually it was found unnecessary to invite this year tenders for more than 60 locomotives, including the requirements of the East Indian Railway, as against a figure of 160 locomotives for State-worked railways only estimated in 1921. The Government of India have every intention of continuing their efforts to secure economies by the measures which I have mentioned and by any others which may suggest themselves, and they are sure that in this policy they have the support of the Indian Merchants' Chamber. But your Committee will realise that as a result, the number of locomotives likely to be ordered annually for any period that can now be considered must be insufficient to enable the locomotive industry to be established in India; and the Government of India consequently accept the conclusion at which the Indian

Tariff Board arrived in Chapter II of their report that since the indispensable preliminary condition of a sufficient market for locomotives in India cannot at present be satisfied, no present steps can be taken to assist the locomotive industry.

4. Of the locomotives for which tenders were invited last year, forty were, as your Committee was informed, for the East Indian Railway, and their cost was met chiefly from the revenue, but partly from the capital grant passed by the Assembly last March. But the fear which your Commitee apparently feel lest the policy of the Government of India with regard to purchase in India should thereby be stultified is due to a misapprehension of the actual procedure and facts. The East Indian Railway Administration agreed to combine with the State-worked railways in last year's call for tenders and consequently tenders for their requirements, as for those of State-worked railways, whether received in the United Kingdom or in India, were compared and considered by the Railway Board, and not by the Home Board of the East Indian Railway, in the light of the expressed policy of the Government of India as embodied in the Indian Stores rules As a result, the Railway Board placed orders with certain firms in accordance with the stores rules for the requirements of State-worked railways, and strongly advised the East Indian Railway Administration, equally in accordance with the same policy, to place orders for the locomotives they required with a certain firm. The Government of India are aware of no reason for considering that the Home Board of the East Indian Railway would be likely to reject the strong recommendation made to them, and they understand that in fact the order has been placed with the firm recommended.

Your Committee will therefore observe that, so far from defeating the policy of the Government of India, the procedure adopted has been calculated to secure its observance.

5. Finally, the Government of India find it difficult to understand why the fact that the Home Boards of Company managed railways are entitled under existing conditions to place orders for

stores for their railways, should make your Committee feel very apprehensive with regard to the proposal for the separation of Railway from General finance. It was only on the condition that Railway finance would be separated from General finance that State management of railways in India was recommended in paragraphs 227 and 228 of the Acworth Committee's report. The Government of India themselves expect the Home Boards of Company managed railways to follow loyally the policy with regard to the purchase of stores in India which they have laid down in their recent resolution; and they have the fullest confidence that they will do so.

No. T-1385 dated 15th November 1924.

From Chamber to the Railway Board.

I am directed to acknowledge your letter No. 2685-S, dated 22nd May 1924, and to inform you that my Committee are not satisfied with the information and assurance contained therein. I am therefore, directed to refer to the position of locomotive industry.

2. The following findings of the Tariff Board speak for themselves :—

"The industry, in our opinion, has strong claims to temporary national assistance.

"The industry is very valuable from the national point of view.

"If India is to make itself independent, as far as possible, in the supply of its railway requirements, it is essential that in its industrial organisation it should possess a well established locomotive industry.

"The establishment of the manufacture of locomotives in India is desirable both on national grounds and because

of its importance to the development of the steel industry."

3. In paragraphs 15 and 16 the Tariff Board refer to the total requirements of the country. They speak in the terms of the Communique as the annual requirements of Government, which must clearly refer to all State-owned railways. They distinctly refer to railways not owned by Government as offering the possibility of some further market. They refer to Mr. Hindley's evidence, on which alone they base their estimate of the probable demands. "The requirements of the railways during 1925" says Mr. Hindley, "would be only 60 locomotives, and that it was doubtful whether the requirements in any one of the next five years would be as high as 100 locomotives." This is at absolute variance with the words used in the letter under reply in which reference is made throughout to the requirements of State-worked railways. The State-worked railways are only 7678 miles as against the State-owned railways which are 27,005 miles. It is essential to ascertain whether the demand referred to by Mr. Hindley was of State-worked railways only as stated in your letter under reply, because if it were so the demand for all railways is likely to be very much higher. In fact, it is likely to reach the limit when the existence of a locomotive works becomes not only possible but extremely desirable on national grounds. On the other hand, we already find that the lower estimate has been disturbed before the ink is dry on the report of the Tariff Board by additional purchase of 37 locomotives for the Bengal Nagpur Railway.

4. The only ground, on which the Tariff Board were deterred from recommending protection, was that "the burden on the community will be heavy until the domestic demand approximates to the output of the smallest unit, which can be economically and efficiently operated." We have not got a clear statement from the Railway Board yet of what the domestic demands are likely to be, but after the" "complete falsification of the forecasts made by the Railway authorities little more than two years ago", what confidence can the public place in other estimates, which are also

being belied in a short period. My Committee desire to refer to the additions of locomotives during the last few years. They are as follows :—

Year.			Number of Engines added
1909	...	...	337
1910	...	...	176
1911	...	...	222
1912	...	...	197
1913-14. Engines employed exclusively on,			
a. Passenger working	...	82	
b. goods	...	172	
c. mixed working or on both passenger working and goods working	...	90	344
1914-15. *a.*	...	114	
b.	...	195	
c.	...	116	425
1916-17 *b.*	...	10	
c.	...	32	42
1917-18 *c.*	...		161
1918-19 *b.*	...	61	
c.	...	43	104
1919-20	...		59
1920-21	...		375
1921-22	...		378
1922-23	...		82

The average of these comes to 223. If allowance were made for the absence of renewals in the war, the conclusion is, therefore, unavoidable that if the demand for all the railways in India during the next five years is likely to be much less than 100, there has been considerable extravagance in the past not only in the estimate put forward in the communique but in the actual outlay of the country's money. My Committee think that the position is serious enough to merit an independent examination by a small Committee. Until this is done they must view with grave apprehension the continued outlay of enormous sums during the balance of the five-year programme, and they must stoutly withstand any attempt to go on spending at the same rate for any further period after that programme is completed.

5. Public opinion in the country has not been reconciled to the manner in which the Tariff Board has reported with regard to this subject, and it was reflected very clearly in the report of the Select Committee on the Tariff Bill, which consisted of members of all parties. The Select Committee's report on this subject says :—

> "We next turned our attention to the question of according protection to the locomotive industry in India. A majority of our Committee held the view that a further careful examination of this question was necessary and should be undertaken by the Government with a view to deciding whether this industry fulfilled the conditions requisite to enable it to qualify for such protection."

6. An additional ground for apprehension that principles and policies definitely accepted by Government after many efforts on the part of public bodies are set at naught, is given by the fact that no tenders were called in India for the requirements of the Bengal Nagpur Railway, for which an order has now been placed in the United Kingdom. If an order for the Egyptian Railways could go to Italy and other orders from the British Empire would go to Germany, it becomes difficult to believe that the lowest tender was from the United Kingdom. It has been repeatedly borne upon us

that, while evading public responsibilities with regard to the establishment of Indian industries, the Government and Railway administrations are also evading the rule with regard to the cheapest market. In any case it is clear that the Government of India's anticipations in regard to actions of Home Boards of Companies managing railways owned by the State have been belied as in the case of Bengal Nagpur Railway.

7. In the last paragraph of your letter you state, "the Government of India themselves expect the Home Boards of Company managed railways to follow loyally the policy with regard to the purchase of stores in India which they have laid down in their recent resolution; and they have the fullest confidence that they will do so." It is obvious that even on the day that you wrote this letter to the Chamber, *viz.*, the 22nd May 1924, matters were being arranged in the United Kingdom in absolute contravention of the stores rules referred to, and not only was no preference given to Indian manufacturers but even tenders were not called for in India.

8. Sir Charles Innes, speaking on the Railway Industries Debate, said:

> "Sir Vithaldas Thakersey, as I understand him, proposes that a Committee should be established to consider what steps we can take to get these Railway Industries started. As I understand his speech, he does not suggest that the Government itself should start any industries of this kind. Sir Vithaldas Thakersey's suggestion is that we should encourage private enterprise to come in and start these industries. He has mentioned certain particular devices. He has suggested that guarantees for orders should be given and other recommendations made by the Stores Purchase Committee should be carried out. I should just like to refer to the question of this Indian Stores Department. *If this Indian Stores Department is established, it will purchase for the State Railways all railway materials which can be procured in India,*

> Further if that Indian Stores Department is properly organised, if we have proper machinery and intelligence, and above all, inspection, if that Department acquired the confidence of other great consulting Departments, specially the Company Railways, then *the Stores Department would be mainly occupied in buying railway materials not only for State Railways but for Company Railways also.* Any industries which we will be able to start, therefore, will have to deal with the Indian Stores Department."

9. It is regrettable that we do not find even two years after the establishment of that Department that the Indian Stores Department is allowed to purchase for the State Railways. Nor do we find the stores rules, which have at long last been declared to be approved, operating in the case of the Company Railways.

10. We have had no reply to the query in our letter as to whether all expenditure under the Rs. 150 crores programme was to be in accordance with the Stores rules and other declarations of policy of the Government. We now see that the 37 locomotives purchased by the Bengal Nagpur Railway have been financed out of that money, and if so, how can the Government reconcile this with omission to call for tenders in India, or with the pooling of the total demand for railways in India with a view not to deprive private enterprise in the country of legitimate opportunity for supplying the needs of the country.

11. My Committee have noticed that the Railway Board in their evidence before the Tariff Board did not refer to the Railway Industries Committee's general findings which have been already and independently of the Tariff Board, accepted by the Government. My Chamber is writing in a separate representation regarding the new stores rules and their defect from this point of view but they desire particularly to refer here to the locomotive position. In paragraph 14 the Tariff Board refer to the amount of preference which would be required, and they clearly indicate that in their

opinion the amount of preference would not be greater than the 27½ percent *ad valorem* obtaining in Australia or 22½ percent in Canada. As a matter of fact, my Committee understand that in this year's orders against tenders called for by the Railways which have been placed in the United Kingdom, the amount of preference required by the Indian manufacturers would have been even less than these figures. It is, therefore, curious that even this should have been denied to a Works, which was prepared to take on this year's orders without any other express obligation on the part of the State.

12. In view of this what my Committee desire to know is, why the Government have not instituted any additional enquiry as promised during discussion in the Select Committee on Tariff Bill and whether there is not sufficient reason to suppose that the estimate of the total demand for India is somewhat unduly low, and whether the Works, which has already come into existence on Government assurances, cannot be supported by securing them such demand as there is, which appears much larger than the sixty locomotives required for "State-worked" railways alone. My Committee would draw the attention of the Government that it is not a question of bringing into existence that which does not exist but a question of preventing the disorganisation of an industry which has come into existence, and of discouraging thereby, as the Tariff Board have themselves remarked, the investment of further capital in Railway Industries generally.

13. In view of what has been indicated above, my Committee feel that the matter calls for a serious re-examination, and they are confident that the Government will not avoid such re-examination and lay themselves open to the reproach either that it is their desire to continue the patronage of English works which prevents them from offering sufficient assistance or even carrying out the assurance given to Indian works, or that there has been extravagance and inefficiency in the lay-out and working of railway workshops, which the parallel existence of private enterprise can expose.

No. 2685 S, dated the 4th of February 1925.

From the Railway Board to Chamber.

Locomotive Industry in India.

I am desired to reply to your letter No. T. 1385, dated the 15th November last.

2. The Government of India are in some doubt as to the exact points which they are desired to meet, but as they understand your letter, the first suggestion of your Chamber is that if the requirements for locomotives of Company-managed State railways were taken into account, the demand would suffice to keep a locomotive industry in India alive. Without going too deeply into the matter, the Government of India think that the following information will be of interest to your Chamber. It is stated in the Tariff Board's report that the locomotive industry cannot be established on economical and sound grounds in India unless it can look forward to a reasonable prospect of turning out at least 200 locomotives per annum. It is further pointed out by the Tariff Board that the cost of these locomotives must be excessive unless the types required can be cut down to one or two. Now the Railway Board have just received the demands for State-managed Railways (including the Great Indian Peninsula Railway which will not come under State management till July next) for 1925-26. These demands are now being considered and practically the whole of them will be met by inter railway transfers, and only seven new locomotives are likely to be required. At any rate, it is certain that the demand for 1925-26 for State-managed lines must be small. As regards Company-managed lines, the Government of India do not propose to discuss the question whether they would be justified under their contracts with these railways in compelling them to buy locomotives in India. They need only say that the Railway Board have been advised that the requirements for 1925-26 for Class I railways are likely to aggregate 44 locomotives for Broad Gauge Railways covering 3 different types, and 47 for Metre Gauge Railways covering 8 different types.

3. The next question raised in your letter is whether a Committee should be appointed to investigate the amount of money spent on locomotives in recent years. The Government of India do not know what purpose the proposed Committee is intended to serve. The arrangements now made by the Railway Board are sufficient, in their opinion, to ensure that due economy will be observed in the future in the purchase of locomotives.

4. The Government of India do not think it necessary to reply in detail to the rest of your letter, but they will add that they propose to discuss the question of locomotives in fuller detail with the Central Advisory Council.

APPENDIX 72.

PROTECTION OF THE SPIRIT INDUSTRY IN THE BOMBAY PRESIDENCY.

No. 2149, dated 16th July 1924.

From Messrs the Alembic Chemical Works Co., Ltd. Baroda, to Chamber.

We herewith enclose a copy of the letter No. 2133 of 14th inst. addressed to the Secretary, Revenue (Transferred) Department of the Government of Bombay for your perusal and moving the Government of Bombay to protect the Spirit Industry on the same lines as is done by the Government of Bengal.

No 2133, dated 14th July 1924.

From the Alembic Chemical Works Co., Ltd. Baroda,
to the Government of Bombay, Revenue
(Transferred) Department.

With reference to your letter No. 214/C, dated the 22nd August 1922, we have the honour to draw your attention to para 4 of the above letter regarding levy of duty on the company's products at the ordinary Excise rates instead of at the Indian Tariff Act Rates as this question is under Government consideration since a very long time.

2. By our representation No. 1130 dated the 18th April 1921 we prayed for the Gooernment's decision on the following main points:—

1. Whether Baroda should be looked upon as foreign territory for the purposes of Tariff Act; or whether it should be looked upon as an integral part of India and only Excise duty charged accordingly on all alcoholic preparations manufactured in Baroda.

2. Whether the rates of Excise duty should or should not be lower than the rates of Customs duty with a view to protect the indigenous manufacturers against foreign manufacturers.

3. Our chief competitors are cheap Brands manufacturers of Java, Germany, Holland and Japan. These manufacturers pay the Tariff Duty and move their goods to any part of India without any restriction whatsoever whereas we have to pay the same duty with the restriction that we can move our goods to parts of the Bombay Presidency only and not to any other province outside the Bombay Presidency directly from our Distributing Room attached to our Bonded Warehouse at Baroda as per G. R. No. 214/C, dated 30th October 1922.

4. The duty paid by the foreign manufacturers is calculated only on the alcoholic content and quantity of the products and not on the value of the products and therefore they are neither to pay duty on the value of the alcohol nor on the containers, the packing materials etc. We on the other hand have to pay on all the containers and packing materials imported from the foreign countries.

5. The duty the foreign manufacturers pay is an Imperial Duty and the Provincial Government is not benefited from the point of view of revenue. The duty we pay (which is assessed at the Tariff rate) is the Excise and therefore goes to the Provincial Government. The Provincial Government therefore are indirectly encouraging the foreign manufacturers by assessing a countervailing Excise (not in principle but in practice) on goods which have to pay an import customs on packing materials in competition with those who have not to pay customs on packing materials.

6. In the case of spirituous medicinal and toilet preparations Government have been pleased to reduce duty to Rs. 5/- per proof gallon by Press Note No. 1652/C. dated 9th June 1922, in order to protect local industries against foreign manufacturers.

7. The Deputy Commissioner of Excise in charge of the duties of the Collector of Excise in Bengal issued notice on 21st March 1922, as under :—

The following measures for control over the manufacture and sale of foreign liquor in Bengal, have been sanctioned by the Local Government with effect from the 1st April 1922.

* * * * * *

(*iii*) In processes of compounding and blending of Brandy, Whisky, Gin and Rum in Bengal, no spirit shall be used except the following :—

(1). British Spirit.

(2). Bengal Spirit.

(3). Scotch Whisky.

(4). French Brandy.

1. "British Spirit" means Spirit manufactured in any distillery in Great Britain and on which Excise duty would be payable in that country but for export to Bengal.

2. "Bengal Spirit" means spirits manufactured in any distillery in Bengal under the supervision of the Government.

3. "Scotch Whisky" means pot-still malt whisky, manufactured in any distillery in Scotland and properly matured under the Excise regulations in force in that country.

4. "French Brandy" means Brandy made from grapes in France and exported to Bengal in its original condition.

N. B. Firms holding compounding and blending licenses, are warned against purchasing any spirits other than the spirits mentioned above for purposes of compounding and blending.

* * * * *

8. It is necessary therefore for the Government of Bombay to protect if not encourage the Bombay Industries against unfair competition from the foreign manufacturers and also to protect their own Excise revenue by :—

A. Lowering the Excise duty on the spirit contents of the "Foreign Liquors" manufactured in the Bombay Presidency from spirits manufactured locally to the same level as the Excise on the "Country Liquor" made in the Bombay Presidency. The question of competition with country liquor and consequent loss of revenue to Bombay Government does not arise for two reasons:— (1) The "Foreign Liquor" made in the Bombay Presidency as well as the "Country Liquor" pay duty to the Bombay Government while the "Foreign Liquor" from foreign countries pay the full customs duty to the Imperial Government. (2) The "Foreign Liquors"

made in the Bombay Presidency from spirits made in this Bombay Presidency will always be sold in bottles packed in cases and would therefore always be priced higher than the country liquor which is sold in bulk.

B. By regulating the process of compounding and blending of Brandy, Whisky, Gin and Rum in Bombay Presidency by not allowing spirit used in such processes except the following:—

(1) British Spirit.

(2) Spirits manufactured in the Bombay Presidency and Indian States within its Geographical limits (including Baroda).

(3) Scotch Whisky.

(4) French Brandy.

9. In connection with the above we submit that the Bengal Government have already taken the necessary steps to protect the Bengal Industries against foreign competitors by reducing duty on alcohol used for the manufacture of medicines and toilet preparations and also by restricting the use of spirit other than the British spirit and Bengal Spirit in compounding and blending of Brandy, Whisky, Gin and Rum. The policy of the Bengal Government which is commendable in itself, while it has protected the industries in Bengal, has worked most destructively on the similar industries established in the Presidency of Bombay on account of the Bombay Government not taking similar steps simultaneously.

10. We submit that the Government of Bombay should therefore take immediate action in this matter.

No T-1025, dated 20th August 1924.

From Chamber to the Government of Bombay, Revenue (Transferred) Department, Bombay.

The attention of the Committee of this Chamber has been drawn to a representation recently addressed to the Government of Bombay by Messrs. the Alembic Chemical Works Co., Ltd., putting forward some grievances and suggestions to remedy ths same. My Committee have in the past carried on correspondence both with the Bombay Government and the Government of India in connection with the indigenous industry of manufacturing spirituous preparations and the former have been pleased to respond to some of their demands. The complaint of the Alembic Chemical Works Company is that their chief competitors who are cheap brands manufacturers of Java, Germany, Holland and Japan pay the Tariff duty and move their goods to any part of India without any restriction whatsoever whereas they have to pay the same duty with the restriction that they can move their goods to parts of the Bombay Presidency only and not to any other Province outside the Bombay Presidency directly from their distributing room attached to their warehouse at Baroda. It is suggested therefore that

(1) following the procedure adopted by the Government of Bengal the process of compounding and blending of brandy, whisky, gin and rum in the Bombay Presidency should be regulated by not allowing spirit used in such processes except the following:—

(1) British Spirit,

(2) Spirits manufactured in the Bombay Presidency and Indian States within its geographical limits (including Baroda),

(3) Scotch Whisky,

(4) French Brandy.

(2) the duty on the spirit contents of the "Foreign Liquors" manufactured in the Bombay Presidency should be lowered to Rs. 17-8-0 per proof gallon as has been done already by the Government of Madras.

My Committee approve of both these suggestions and hope that Government will be pleased to adopt them.

APPENDIX 73.

ESTABLISHMENT OF SWEDISH MATCH FACTORIES IN INDIA.

No. T-566, dated 14th May 1924.

From Chamber to the Government of India, Department of Commerce.

The attention of my Committee is drawn to the telegrams which appeared in the press regarding some match factories to be started by a Swedish Company. Copies of these telegrams are enclosed herewith for ready reference. My Committee will be obliged if you will be kind enough to let them have the following information :—

(*a*) Whether the Swedish Company is registered in India or England.

(*b*) What is the majority of its shareholders—Indian or non-Indian.

(*c*) Where are the match factories to be established, and

(*d*) Has it applied for any concessions to the Government?

No. 306-T(1), dated the 28th May, 1924.

From the Government of India, Department of Commerce to Chamber.

Manufacture of matches in India by a Swedish Company.

With reference to your letter No. T-566, dated the 14th May 1924, I am directed to state that the Government have no information other than contained in the telegrams. The Company is presumably a Swedish Company. No concessions so far as the Government of India are aware have either been applied for or given.

No. T-689, dated 17th June 1924.

From Chamber to the Government of India, Department of Commerce.

Manufacture of matches in India by a Swedish Company.

I am directed by my Committee to acknowledge receipt of your letter No. 306-T(1), dated the 28th May 1924 and to say in reply that if the Government of India are contemplating giving any concessions to the manufacturers of matches, such concessions should be given only to Indian Companies or Indians.

No. T-698, dated 18th June 1924.

From Chamber to Governments of Bombay, Bengal & Punjab

Subject :—Manufacture of matches in India by a Swedish Company.

I am directed by my Committee to enclose herewith copies of correspondence passed between them and the Government of India, Department of Commerce, on the above subject for your information.

APPENDIX 74.

DIFFICULTIES OF THE MATCH FACTORIES IN THE BOMBAY PRESIDENCY IN OBTAINING MATCH TIMBER.

No. 860, dated 20th November 1924.

From the Swadeshi Match Manufacturing Co., Ltd. Bombay, to Chamber.

We shall be obliged if you will place the following facts for the consideration of your Committee at an early date, and if deemed fit to make the necessary representation to the proper authorities and legislature.

We had applied to the Chief Conservator of Forests, Bombay Presidency, for his assistance in securing match timber from the forests under his jurisdiction. We also likewise applied to various other divisional forest officers on the subject. The divisional forest officer of Panch Mahal and also that of Surat, both replied that they could not provide us with requisite match timber as the monopoly for the same was granted to a match Factory at Ahmedabad. Other forest officers were good enough to provide us with a list of coupe Contractors, who they stated were the proper parties to be approached for our requirements. But we wrote to them that the coupe contractors would be asking very exhorbitant rates and thereby prematurely kill our industry, and in consequence requested them to deal in those species direct with us to which they replied that their standing orders prohibited them from doing so. The Conservator of Forests, Bombay Presidency also wrote to us under date of the 14th inst., as follows:—

"Owing to our establishment being cut down to the barest requirements and also to the fact that it pays better to sell standing coupes containing different species (many unsuitable for your purpose)

than to undertake departmental exploitation in the areas favourably situated with respect to your factory, it is quite out of the question to ourselves undertake to supply your requirements"

"We have reports from various Government forest officers stating that extraction of species suitable for match industry is difficult owing to the same being so sparsely scattered as to make extraction unprofitable. Again there are difficulties of cheap transportation facilities. Thus the price of Indian match timber is not only higher than the imported match timber, but it is comparatively much inferior in quality and suitability for match industry. Besides the demand for supply of match timber is much more excessive than what is available under the present circumstances when the Government does not care to extend its protection to this industry which has bright prospects before it.

It is rumoured that the Imperial Government intend to raise the import duty on match timber from the next fiscal year. If the rumours are materialized, we apprehend that the match industry of this country will be throttled in its very infancy. This industry has to be dependent for the present upon foreign timber until some better arrangements are made by the Government Forest Department. Pending such better forest arrangements, it is quite necessary that the infant match industry be permitted to grow on foreign wood. In consequence, we beg leave to bring to your kind notice the facts stated above and request you to place these facts before proper authorities to dissuade them from raising the present import duty of 15 percent *ad valorem* on match timber. Secondly we also request that no alteration in the import duty of finished matches be made for a few years until the match Industry in India be placed on a better footing.

No. T-1441, dated 4th December 1924.

From Chamber to the Government of Bombay, Department of Forests & Excise.

The attention of the Committee of this Chamber has been drawn by a local Match Manufacturing Company, a member of this Chamber, to some of their grievances. It appears that the Company applied to the Chief Conservator of Forests for his assistance in securing match timber from the forests under his jurisdiction. It has also applied to various other divisional officers on the subject. The divisional forest officer of Panch Mahal and also that of Surat, replied that they could not provide with requisite match timber as the monopoly for the same was granted to a match factory at Ahmedabad. Other forest officers provided a list of coupe contractors, who they stated were the proper parties to be approached for the requirements of the Match Manufacturing Company. The Company contended that the coupe contractors would naturally be asking very exhorbitant rates, crippling thereby the industry and requested these divisional officers to deal in these species direct with the Company to which they replid that their standing orders prohibited them from doing so. The Conservator of Forests, Bombay Presidency, wrote as follows:

> "Owing to our establishment being cut down to the barest requirements and also to the fact that it pays better to sell standing coupes containing different species (many unsuitable for your purpose) than to undertake departmental exploitation in the areas favourably situated with respect to your factory, it is quite out of the question to ourselves undertake to supply your requirements."

There are also reports from various Government forest officers stating that extraction of species of wood suitable for match industry is difficult owing to the same being so sparsely scattered as to make extraction unprofitable. My Committee therefore beg to request the Government to be pleased to make enquiries into these complaints and find out if anything can be done to remove these complaints and to provide indigenous match manufacturing concerns in the Presidency with suitable wood.

No. 2720-D/24, dated 12th January 1925.

From the Government of Bombay, Revenue Department, to Chamber.

Subject.—Match Industry.

Supply of suitable wood to indigenous match manufacturing concerns.

With reference to your letter dated 4th December 1924 I am directed by the Government of Bombay (Transferred Departments) to state that the question of the supply of wood to indigenous manufacturers of matches is under their consideration and that a further communication will be made to you in due course.

APPENDIX 75.

PROPOSED STAMPING OF GOLD THREADS.

R. S. R. No. 2999, dated 17th July 1924.

From the Collector of Customs, Bombay, to Chamber.

The Collector of Customs, Madras, informs me that there is very extensive smuggling of gold thread across the French land frontiers at Pondicherry and Karikal. In order to counter this illicit trade every maro of gold thread licitly imported into the Madras Presidency by sea or by land is stamped with the customs stamp and initialled, and as this has proved to be a valuable preventive measure, I have been asked if I will follow the same procedure at this port.

Anything that will check smuggling will of course operate to protect licit importations against unfair competition. I presume therefore that the trade in Bombay will welcome the introduction

of the Madras system, and I propose to introduce it unless any strong arguments against it are adduced. The procedure will *not* apply to imitation gold thread.

No. T-965, dated 7th August 1924.

From Chamber to the Collector of Customs, Bombay.

With reference to your letter of the 17th July 1924 No. R. S. R. 2999, of 1924, my Committee cannot approve of the procedure adopted by the Collector of Customs, Madras, in order to counter the illicit trade said to be going on in gold thread. It is feared by the trade that if the procedure is adopted there will be an increase in thefts and also some damage to the goods in the process of opening the boxes and stamping every marc of gold. My Committee beg therefore to suggest to you that the procedure followed at Madras should not be followed here.

R. S. R. No. 2999, dated 13th August 1924.

From the Collector of Customs, Bombay, to Chamber.

Proposed stamping of gold threads.

With reference to the correspondence ending with your letter No. T. 965 dated the 7th August 1924 on the above subject, I have the honour to state that I am pointing out to the Collector of Customs, Madras, certain difficulties in stamping marcs of gold thread imported into Bombay, and shall not proceed with the scheme for the present.

APPENDIX 76.

DIFFICULTIES EXPERIENCED BY IMPORTING FIRMS IN IMPORTING JAPANESE UNDERSHIRTS.

No. T-1420, dated 27th November 1924.

From Chamber to the Collector of Customs, Bombay.

I am directed by my Committee to send to you herewith copy of a letter received by them from some members of the Chamber for favour of your remarks,

Copy.

Dated 20th November 1924.

From Messrs. M. B. Mehta & Co., and others to Chamber.

We, the undersigned, some of the importers of Japanese undershirts beg to encroach upon your valuable time with the undermentioned notes which we request you to kindly go through very carefully with a view to help us in our business operations with Japan.

Of late several consignments of undershirts have reached our port from Japan and considerable difficulties have been raised by the Custom Authorities in passing the same from the Docks.

These shipments consist of very cheap undershirts and they are mostly manufactured in small cottage factories and it is not possible to expect absolute accuracy as regards the size and finish of goods. Some of the undersigned draw the attention of our constituents to the fact that deviation to the extent of 5% is to be allowed in imported goods from Japan.

The Custom Authorities here seem to be very rigid over all these consignments since they demand exact sizes as printed on

each and every undershirt. We have tried our best to convince them about the bona fide of the Shippers as well as ourselves and have also brought to their attention the technical difficulties in keeping absolutely close to the size mentioned on each undershirt, and they do not care to listen to any argument advanced in support of the bona fide referred to above. Further the point that goes a great way in proving the honest intention of some of the Shippers is that some of the undershirts show greater sizes than mentioned on the respective undershirts.

Cases have also come to our attention wherein if the breadth be shorter, the length is greater than mentioned in the Order Sheet and if the aggregate measurement is taken it would not be difficult to come to the conclusion that there was no fraudulent intention on the part of any of the importers to import goods under wrong size.

These undershirts are imported in our markets for the last several years and the abruptly strict attitude on the part of the Custom Authorities, without any previous warning, has considerably made the position of the importers very awkward and considerable anxiety is also felt regarding the incoming shipments. You would surely realise in what way, and to what extent business is jeopardised and hence we request you to kindly refer the matter to the Collector of Customs or to the Japanese Consul in order that a distinctly more sensible and lenient attitude may be assumed over all such discrepancies which cannot be set right as a result of any abrupt order.

Cables have already been despatched to the shippers intimating to them of the heavy penalties imposed by the Custom Authorities, with a distinct warning to see before shipment that the sizes mentioned on the undershirts are as per actual measurements of the goods shipped. If you want to be convinced over this we will be too pleased to show you the copies of the cables sent.

In view of the aforesaid notes we have to request you to kindly approach the authorities concerned to allow a latitude of at least one inch in size, which we submit would under no circumstances be considered unreasonable. We have also to make another suggestion,

that as our cables have already been despatched, no penalty should be imposed over goods shipped on or before the 1st January next, after which time, if fraudulent attempts are detected, the Custom Authorities should be fully justified in applying the law in the way that they think best. We have also to request you to kindly help us in getting the refund of the fines levied on some of us, and all such applicants for refund are fully prepared to convince the Custom Authorities about the bona fide of the transactions.

We trust as a result of this request to you effective steps would be taken in order to help us in obviating the difficulties under which we have to work at present, as also to formulate a definite line of action regarding future shipments.

R. S. R. No. 5703, dated 23rd January 1925.

From the Collector of Customs, Bombay, to Chamber.

In reply to your letter No. T-1420 of 27th November 1924 enclosing a copy of the letter received by your Committee from some importers of Japanese undershirts, I have the honour to state that this Custom House will not take any objection to a discrepancy between the marked sizes and the actual measurements unless such variation is in excess of the variation of one inch allowed by the trade in this class of goods. While I am prepared to allow this latitude any abnormal discrepancy between the marked sizes and the actual measurements will be dealt with according to law. I am further prepared to comply with your request that no action should be taken on goods shipped on or before the 1st January 1925, provided that the variation is not appreciably more than 1 inch.

2. With regard to your statement that variations to the extent of 5% is allowed on goods imported from Japan, I should point out that it is not based on facts. It is only in the case of Shanghai Silk Piecegoods which are generally sold by tael weights that an allowance of 5% for dryage is made.

3. I should have been glad to refund penalties imposed in the cases mentioned by you, if the penalties imposed had been in respect of discrepancies of 1" and under, but as a review of all the cases has disclosed that in each case the penalty was for a variation in excess of 1", I regret that I cannot refund any of the penalties already imposed.

APPENDIX 77.

"REAL VALUE" DECLARATIONS OF TARIFFED OR SPECIFIC DUTY GOODS.

S. R. No. 5182 dated 31st October 1924.

From the Collector of Customs, Bombay, to Chamber.

Subject:—'Real Value' declarations of tariffed or specific duty goods.

It has come to my notice that when goods are assessable on tariff valuations, or at specific rate of duty very little care is taken by importers in declaring the real value of the goods. I may remind you that though in such cases there is no duty in question, it is none the less a legal obligation on importers to declare the real value of the goods carefully and accurately. Such declarations are the basis of the trade returns and it is at least as important to the commercial public as it is to Government that trade statistics should be accurate. I would therefore ask you to bring this matter prominently to the notice of all your members.

I may add that the Custom House has largely to rely on shippers' declarations of the valuations of exports though these too are not infrequently made without due care and attention. I trust that attention will be directed to this matter also.

No. T. 1366 dated 13th November 1924.

From Chamber to the Collector of Customs, Bombay.

Subject :— 'Real Value' declarations of tariffed or specific duty goods.

I am directed to acknowledge the receipt of your letter S. R. No. 5182 dated the 31st October last and to say that the contents of the same will be brought to the notice of the members of the Chamber by a special circular.

APPENDIX 78

REVISION OF THE LISTS OF ARTICLES SPECIFIED IN THE SEA-BORNE TRADE RETURNS OF BRITISH INDIA.

No. 1973-Q. dated 3rd March 1924.

From the Ag. Director-General of Commercial Intelligence to Chamber.

Revision of the lists of articles specified in the Sea-borne trade returns of British India.

I have the honour to state that the question of the annual revision of the lists of articles specified in the sea-borne trade returns of British India is now under consideration in this Department and to request that you will be so good as to favour me with your views, particularly in regard to the articles shown in the attached statement which have been proposed by Collectors of Customs for omission from the lists now in use.

2. I would also invite your suggestions regarding any additional items which you consider essential for specification in the trade returns with the request that your reply may reach this office before the end of March.

List of Articles which are proposed to be omitted.

List No. I—Imports—Private merchandise.

N. B. Proposed omission are marked with *

3. Arms, Ammunition, and Military Stores :—

2. Explosives.

* (*a*) Ammonal.

11. Bristles and fibre for brushes and brooms:—

* 1. Bristles. * 2. Fibre.

13. Building and Engineering materials:—

3. Cement. * Boiler covering.

18. Chemicals etc :—

* 14. (*d*) Saltpetre, * 15 (*e*) Chromate of Soda.

22. Coal, coke and patent fuel—

* 3. Patent fuel.

29. Drugs and Medicines—

* 3. Belladona and preparations, * 6. Cinchona bark.

30. Dyeing & Tanning Substances—

* 6. Myrobalan extracts.

*33. Feathers.

42. Grains, pulse and flour—

*5. Oats.

50. 1. Instruments, Electrical—

* (*h*) Condensers, electric * (*i*) Electric bell apparatus.

57. Manures—

* 2. Bones, * 3. Guano.

62. Oils—2-Essential—

(*b*) Natural—

* *i.* Almond oil, * *ii.* Bergamot oil, * *v.* Cloves, * *vi.* Dill. *viii.* Lavender, *x.* Otto rose.

4. Vegetable, non-essential—

* (*a*) Castor, * (*c*) Cotton seed, * (*f*) Mustard or rape (*g*) Sesamum, * (*h*) Tung oil.

82. Seeds—

* Castor, * Cotton, * Mustard, * Poppy, * Rape.

87. Spices—

* Cassia, * Cinnamon.

98. Textiles—i. Cotton vi. Piecegoods.

(*b*) Grey-unbleached.

* Printers (from both plain and bordered grey.)

(2) White bleached.

* T. cloth and Domestics.

(3) Coloured, printed, or dyed goods—

* Chadars (from printed, dyed, and also woven coloured goods).

2. Flax—C, manufactures—

* Bags and sacks.

4. Hemp,—manufactures—

Bags and sacks.

105. 2. (*b*) Ornamental wood—

* Ebony.

Imports — Government Stores.

5. Building and Engineering materials—

1. Bricks and tiles.

* (*a*) Fire bricks, * (*b*) Other bricks, * (*c*) Tiles.

14. Liquors—

* 1. Ale, beer, and porter. * 2. Spirit. * 3. Wines.

22. 1. Cotton—

* (*a*) Twist and yarn, (*b*) Manufactures.

* (*i*) Hosiery.

2. Flax—

* (*a*) Twist and yarn.

List No. 2—Re exports (Private Merchandise).

3. Arms, ammunition and military stores—

* 2. Gunpowder.

* 15. Coral.

18. Drugs and medicines—

* 4. Cinchona bark.

23. Fish—

* 1. Fish dry, unsalted
* 2. „ „ salted
} to be combined.

*31. Hops.

41. 2. Copper—

(*a*) Unwrought.

* (*i*) Tiles, ingots, cakes, bricks, and slads * (*ii*) Other sorts.

7. Zinc or spelter—

* Unwrought * Wrought or manufactured, * Other sorts.

59. Spices—

Betelnuts * Ginger * Pepper.

64. Textiles—

*. Flax manufactures

* (*a*) Canvas, *4. Hemp manufactures. *5 Jute manufactures.

Re-exports—Government Stores.

*3. Books and printed matter *4. Boots and shoes.

11. Liquors—

*1. Ale, beer, and porter *2. Spirit *3. Wines.

12. Metals and ores.

4. Lead.

* (*a*) Pig.

* (*b*) Wrought and manufactured.

* 5. Tin wrought and unwrought.

* 6. Zinc or spelter, wrought or Manufactured.

* 18. Vehicles—

* 1. Ships, parts of * 2. Other kinds.

List No. 3—Exports of Indian Merchandise.

*3. Arms, Ammunition and Military Stores.

*5. Baskets and basketware.

*1. Chemicals :—

* 1. Acetone, *2 Alum, *3. Arsenic.

14. Coal, coke, and patent fuel.

* 3. Patent fuel.

* 17. Coral.

19. Drugs and medicines.—

* 1. Aloes 7. Quinine salts * (a) Quinine sulphate * (b) Quinine hydrochloride and di-hydrochloride * (c) Other sorts.

1. Earthenware and porcelain,

* 1. Pipes of earthenware.

* 22. Feathers * 24. Fireworks * 19. Gelatine *31. Glue.

33. Gums and resins,—

* 2. Benjamin * 3. Olibanum or frank incense.

44. Liquor,—

* 2. Wines

48. Metals and ores:—

3. Copper,

* (b) Old for re-manufacture
* (c) Unwrought } may be combined.

5. Iron or steel,—

* (ii) Angle bolt and rod * (iii) Pipes and fittings cast (iv) Tubes, pipes, and fittings, wrought,

50. Monanite,

51. Oils,—

2. Essential,—

* (a) Cassia * (d) Ceramin

4. Vegetable, non-essential,

* (g) Niger seed * (f) Dregs of jinjili oil,

* 53. Oil-cloth and floor-cloth. 55. Paints and painters' materials.
1. Paints and colours.

(a) Graphite. 57. Paper making materials.—
* 1. Rags.

* 2. Other materials. 59. Perfumery. * 1. Musk. 63. Provisions and oilman's stores. 3. Cheese. 67. Seeds.x (i) (*d*) Carraway. * (ii) (*d*) Azzalia. 71. Spices. * 7. Nutmags. 78. Textiles. 2. Flax.

* (*b*) Twist and yarn
(*c*) Manufactures
Bags and sacks
} A combined head may be shown.

* (*d*) China grass. 8. Tool. (*b*) Manufactures. * (1) Braids. 84. Wood and timber. (2) (*b*) Ornamental wood. * (1) Ebony.

Exports—Government stores.

2. Arms, ammunition and military stores—

* 1, Fire arms, and parts thereof. * 2. Other sorts.

5. Building and Engineering materials. * 1. Bricks and tiles. * 2. Other sorts.

* 6. Chemicals. 3. Druggs, medicines and narcotics.—

* 1. Cinchona bark. * 2 Quinine salts. * (*a*) Quinine sulphate or bi-sulphate. * (*b*) Quinine hydro-chloride or di-hidrochloride. * (*c*) Others. * 3. Other sorts.

* 9. Earthenware and porcelain.

* 10. Glass and glassware.

11. Grain, pulse and flour. (*c*) * Maize.

13. Instruments, apparatus and appliances. 1. Musical * 2. Photographic * 3. Scientific, philosophical and other kinds. *

14. Leather. 2. Manufactures. (*a*) Sadlery and harness. * (*b*) Other sorts.

16. Machinery and Mill work— * 1. Steam engines and parts * 2. Other sorts of machinery.

17. Metals and Ores. 3. Iron or steel. (*a*) Anchors and Cables * (*b*) Galvanised (other than plates, sheets and wire) * (*c*) Nails, screws, rivets and washers * (*d*) Other manufactures of iron and steel. * 4. Lead, wrought and manufactured. * 5. Tin, wrought and unwrought. * 6. Zinc or Spelter, wrought or manufactured. *

19. Paper and Pasteboard * 1. Paper. * (*a*) Writing paper and envelopes. * (*b*) Other kinds of paper. * 2. Paste board, mill board, and card board of all kinds.

20. * Printing and lithographic materials (excluding paper)

23. * Telegraphs, materials for construction of. * 24. Textiles.

1, Cotton. (*a*) Twist and yarn. * (*b*) Manufactures.

1, Piece goods * Grey (unbleached *
Coloured (printed or dyed) } to be combined.
* 11. Other sorts of manufactures. }

3, Wool manufactures. (i) * Piece goods, (ii) * Other sorts.

25, Vehicles, excluding locomotives for Railways. 1, * Carriages and carts 2. * Ships, parts of 3. * Other kinds.

No. T. 289 dated 17th March 1924.

From Chamber to Ag. Director General of Commercial Intelligence, India.

With reference to your letter No. 1973/Q, dated the 3rd instant, I am directed by my Committee to state they approve of the proposals for the revision of the lists of articles specified in the Sea Borne Trade Returns of British India, contained in the statement enclosed with your letter under reply.

No. 9628 Q. dated 22nd November, 1924.

From the Director-General of Commercial Intelligence, to Chamber.

Revision of the lists of articles specified in the Sea-borne trade returns of British India.

I have the honour to state that the question of the annual revision of the lists of articles specified in the Sea-borne trade returns of British India is now under consideration in this Department and in this connection I shall be glad to receive your suggestions regarding any additional items which you consider essential for specification in the trade returns with the request that your reply may reach this office not later than the fifteenth of December.

No. T. 1505 dated 23rd December 1924.

From Chamber to the Director General of Commercial Intelligence, India, Calcutta.

With reference to your letter No. 9628—Q, dated the 22nd November 1924, I am directed by my Committee to state that they have no suggestions to make with regard to the revision of the lists of articles specified in the Sea-Borne Trade Returns of British India.

APPENDIX 79.

REBATE OF RAILWAY FREIGHT ON COAL CONSUMED BY INDUSTRIES IN INDIA.

No. T.—157 Dated 8th February 1924.

From Chamber to the Government of India, Department of Commerce.

My Committee have noted with satisfaction that in response to the demand of the Indian Mining Federation, Indian Mining Association and this Chamber a rebate of 25 percent is decided to be given on Railway freight on all coal (other than bunker coal) shipped from Calcutta. This will be of some help to the coal industry but my Committee think that this cannot be considered sufficient in the interests both of the coal industry and the industries in general. Government are not unaware of the strong competition Indian coal has to face from foreign coal, specially South African coal favoured by the subsidy given to it, Coal is one of the principal raw materials of industries and it would be good support to them if there is an appreciable reduction in its price. My Committee beg therefore to suggest that a rebate in freight on Railways not exceeding in amount that is given to coal exported from Calcutta,

that is Re. 1-4, should be given to coal sent by rail to stations inland also. It is to be hoped that this suggestion will be accepted in the interests of both the coal industry and the industries in general.

No. 345 T-16—dated 27th February 1924.

From Railway Board to Chamber.

Rebate in Freight on Coal sent by railways.

I am directed to acknowledge the receipt of your letter, No. T-157 dated 8-2-24 on the above sudject, which is receiving attention.

APPENDIX 80.

SMUGGLING IN SACHHARINE.

No. T-553 dated 13th May 1924.

From Chamber to the Central Board of Revenue, Government of India.

I am directed to enclose herewith copy of a letter received from a member of this Chamber together with its enclosures regarding Sachharine trade and to request you to be pleased to take necessary action in the matter.

Dated 5th May 1924.

From Mr. A. B. Kamat to Chamber.

Re. Sachharine Trade.

As I understand from some of my friends that smmuggling is going on on a very large scale in the above trade since the duty has

been raised in last year, and as an article to that effect has also appeared in the last Friday's issue of the Bombay Chronicle I think our Chamber should take up this question with the authorities concerned and see that honest merchants do not suffer any longer.

I am enclosing herewith copies of correspondence and the cutting from Chronicle for your perusal.

Enclosures.

From Some Sachharine Merchants to the Presidency Trades Association, Bombay.

As you must be aware that prohibitive duty of Rs. 20 per lb. on every pound of Saccharine powder imported from Foreign Country is levied since 1st of March last, it is a mystery to find that this commodity is still available very freely at Rs. 12/- and Rs. 13/- per lb. in single tins. You will also agree with us that an article with Rs. 20/ per pound as an import duty alone cannot be sold at any thing less than Rs. 20/. According to our anticipations this particular commodity had gone up in price and was once valued at Rs. 23/- per lb. and if you refer to Customs Authorities you will learn that Saccharine was once auctioned in Bond and was offered Rs. 20/8 per lb. but it was not sold as Government also expected a higher price. This was sometime in September October. So far it is alright but since some one or two months back the price has suddenly taken a downward tendency as much as that it has necessitated us to go deeper in this question of sudden fall in price. On making enquiries we find that most of the stuff lying in the Customs Warehouse has been reshipped to Singapore where there is original or nominal duty of 10 % to 15 % on the invoice value. From there the same goods have been rushing into Rangoon without paying the new Indian Duty of *Rs. 20/-* per lb. and thence to several consuming centres viz: Bombay, Calcutta, Karachi and Madras. Naturally when goods have been transhipped without paying any duty on say 15 % at Singapore exporters saved Rs. 20/- per lb, and has cost them Rs. 5/-

for the stuff ex Customs Duty Paid Warehouse on such Saccharine. Thus Government have lost heavily by way of duty also in this trade in particular.

Our information can be substantiated by Customs entries. You will thus see that honest importers and merchants are losing heavily on account of these scandalous dealing and have not been able to clear the Bonded goods since last March.

We may also add for your information that one of the undersigned Mr. Manilal Vora has sent in a written complaint to Mr. Green, Collector of Customs (as per copy attached) but as we do not see any serious steps taken since to investigate in this matter we have thought it fit to approach your Association in the hope that you would take up the matter in right earnest and see that such mischief which is killing honest merchants is stopped at once.

We shall esteem it a favour if you will kindly keep us acquainted with your movements in the matter at the above address from time to time.

Dated 21st January, 1924.

From Mr. M. M. Vora to the Collector of Customs, Bombay.

I hope you will kindly excuse me for giving you trouble to go through the following and do what you think necessary.

You know, Sir, that the duty on Saccharine is Rs. 20/- per lb. The average invoice price of this article is about Rs. 3/- per lb. When we add Rs 20/- duty it comes to Rs. 23/- per lb. When last year the duty was levied as above the market price was only Rs. 4/- or about and went to Rs. 5 and gradually it went up when it was Rs. 23/- per lb. a month before. This was natural.

Then all at a sudden the price turned to fall down and you will be surprised to learn, sir, that now something like Rs. 12/- per

lb. for Hermes Brand and Rs. 9/- for Key Brand notwithstanding the duty remaining unchanged. And one can obtain as much quantity as required at such a price which was not the case some months before.

There are rumours in the market that (1) the article is imported with false invoices to cheat the Customs authorities (2) that the article is first shipped to Goa and then it comes here with passengers (that it is consigned to any Native States Port and booked to Bombay from there.) These are the rumours I am unable to know which may be true and which not. I leave it to you, sir, as you know your work better to find out the real thing.

If you take a little trouble and enquire in the matter you will be able to trace out as to wherefrom the goods have arrived and how. I hope you will treat this as most urgent and thereby prevent an excessive loss to your income and save as well some poor law-abiding people who are suffering heavily by this scandal.

Hoping to be excused for the trouble.

No. 2266. dated 10th June 1924.

From the Government of India, Finance Department (Central Revenues) to Chamber.

Re: Sachharine trade.

I am directed to acknowledge the receipt of your letter No. T-553 dated the 13th May 1924 on the above subject.

2. In reply I am to say that the Government of India had already received information from other sources to a similar effect on receipt of which steps have been taken to combat the evil. In this connection I am to invite your attention to Notification No 611, dated the 8th March 1924 prohibiting the export of cigarettes, matches and Sachharine from Burma and notification No. 2145 dated the 4th

June 1924, prohibiting the importation of saccharine by land into British India from foreign European settlements.

It is hoped that the measures taken by Government will tend to reduce the illicit traffic and the Government of India would be glad to be furnished with any information that may hereafter come into the possession of your Chamber in the matter.

(H) INTERVIEWS WITH GOVERNMENT OFFICIALS.

APPENDIX 81

COMMITTEE'S INTERVIEW WITH THE HON'BLE THE FINANCE MEMBER, GOVERNMENT OF INDIA.

The Committee of the Indian Merchants' Chamber had an interview with the Hon. Sir Basil Blackett, Finance Member of the Government of India, on Monday, the 7th July, at 4 p.m. in the office of the Chamber. Mr. A. V. V. Aiyar, Controller of Currency, and Mr. J.C. Nixon, Duputy Controller of Currency, were also present.

Mr. Manmohandas Ramji, President of the Chamber, made the following speech:—

Sir Basil Blackett,

It gives me great pleasure to offer you a hearty welcome on behalf of the Committee of this Chamber. The main questions that we want to discuss with you this evening are the exchange situation and the extraordinary scarcity of money this season. My Committee were much obliged to your Department for the detailed reply to their communication of the 10th January this year. A rejoinder

was sent to the Government in due course but a somewhat cryptic answer was received that the Government of India did not think that any useful purpose would be served by pursuing the matter further. My Committee have, notwithstanding this, presumed to invite you to discuss this matter further in the hope that conversation across the table will clear off much misunderstanding and serve to bring about that clarity of atmosphere which is needed to arrive at any satisfactory solution.

A misapprehension.

Some confusion would appear to have been caused through the misapprehension which prevailed that what my Committee wanted was stability at 1s. 4d. sterling. Proceeding on this theory you, sir, wanted to prove at the annual meeting of the Associated Chambers of Commerce that such a step would involve this country and the Government of India in disaster. My Committee have said over and over again and would like to repeat here that what is suggested by them is that the ratio be restored in the Paper Currency and the Coinage Acts to where it stood before September 1920 and that exchange may then be safely left to take care of itself without any manipulation whatever.

You, sir, maintained in your speech at the Conference of the Associated Chambers of Commerce and the reply of the Finance Department did likewise in their letter of the 25th January, 1924, that this ratio was inoperative and fictitious. My Committee showed however in both their communications that the mistake lay in considering that the 2s. ratio was fictitious just because no direct efforts were made to make this ratio effective. May we take the liberty to point out that to keep this ratio on the Statute book and do nothing and allow the country to be starved of the additional currency that it normally requires from year to year is the most effective way of ultimately raising the rate of exchange for the rupee and that these very means proved extremely effective in raising the rate of exchange from 13d. to 16d. when the Government adopted this ratio in 1894. It took five years of starvation of currency before Government then attained its objective but how disastrous the effects on

trade and industry must have been in the latter stages of that exchange manipulation to raise it to 16d. only can be visualised from a letter which Mr. Simmonds, the then Chairman of the Bombay Chamber of Commerce and Director of the Bank of Bombay, is reported to have written with reference to the crisis of 1898. He says that when he left Bombay on the 23rd April of that year the bank rate was 13 per cent., the same as it had been for some time past and that even this rate was to a great extent nominal because the Bank of Bombay was obliged to refuse loans even on the security of Government Paper at as high a rate as 18 per cent.

Effects of Starvation.

My Committee are very much afraid that the starvation of the currency in the matter of adequate currency that has been going on for the past few years has brought about a similar situation and one shudders to think what would have happened if there had not been that 12 crores of emergency currency and the 14 crores of further currency issued against securities in England. The commercial community is thankful to you, sir, for the initiative you have taken and the courage you have shown in providing the additional currency needed, thus saving the markets from absolute disaster; but my Committee would beg to emphasise that even with those 26 crores of addition to currency in circulation the position continued extremely tight for months together, and even to-day there is a rather uneasy feeling in the money market, although the bank rate has been now put down to 5 per cent. That such a position should have developed in a year when the country had a favourable balance of trade and when if the money due to this country were brought in in a normal way there should have been plenty of money to go round instead of great stringency that has prevailed is, in the opinion of my Committee, mainly due to your inability to bring in the surplus proceeds of your exports and this again is due to the impossible ratio still maintained in our Statute book and which makes it impossible to get foreign money converted into local currency. This again emphasises the need of immediate action to restore the old ratio.

No Motives Imputed.

My Committee have been charged with imputing motives when they expressed their natural fears at the probable trend of the Government policy with regard to the ratio. They said that the relation of the 2s. ratio inspite of the repeated demands of the Indian commercial community for a reversion to the pre-war rate would indicate an intention on the part of the Government to adopt some other ratio than 1s. 4d. gold if abnormal happenings like those of 1920 gave them a plausible excuse for doing so I may assure you that this Chamber have no desire to impute any motives to Government but feeling as they do on this question they cannot help pointing out the risk involved. In this connection my Committee cannot help recalling how recently an esteemed paper of this city practically charged them with creating a new affliction in Bombay in the shape of a murky atmosphere of doubt regarding the bona fides of the Finance Department from political rather than business considerations. My Committee are sure, sir, that with your long experience of British public life, where such criticisms are rather welcomed than otherwise, you will not see in our criticisms the same murky atmosphere of doubt which journalists impatient of searching criticism do.

More Scientific way.

Reverting to the most acute financial stringency that has been a feature this year, my Committee sent, as you know, a telegram to you so far back as in February of this year urging the necessity of immediate action to provide further emergency currency beyond the 12 crores already provided in the Act to meet the needs of the situation. The limit of Rs. 12 crores already provided does not meet with the necessities of the situation as the current year's experience shows when these 12 crores supplemented as they were by the Rs. 14 crores issued against securities could barely cope with the situation. My Committee are of opinion, as they have been urging in their representations to Government, that "the more scientific way will be to make it a certain percentage (say 10 per cent) of the total amount of notes in issue." It is a heavy handicap on Indian trade and industries that while bank rate

in the United Kingdom and the United States moves between 3 and 4 per cent,, it should go upto as high 9 as per cent, here during the busy season and bankers should be obliged to borrow even at a good deal higher in the form of sales of ready and purchases of forward exchange. Immediate, early and well-considered steps are required to relieve the country of its financial stringency. In this connection my Committee are strongly of opinion that time is now ripe for handing over the management of the Currency and Note Issue to the Imperial Bank to be handled by them on lines laid down in the respective legislation and under such safeguards as may be deemed desirable. This will do away with the continual manipulation of currency that is now considered necessary and the commercial and financial community will know where they are, which unfortunately is not the case at present.

Taxation Committee.

My Committee have addressed your department recently with reference to the terms of reference and the personnel of the Taxation Committee, a copy of which letter was handed to you this morning. What my Committee feel is that an equiry into the economic condition of the people should have preceded the present enquiry which cannot be succesful without a previous exhaustive investigation into the taxable capacity of the people as ascertained by reference to their annual income. They also cannot help saying that th personnel of the Committe being not representative of important interests which should have been represented is not likly to inspire confidence in the public.

The next point I wish to bring to your notice to-day is about our Railways. It appears from a reply given by Mr. Hindley to Sir Purshotamdas in the Legislative Assembly that the problem of the management of the East Indian Railway and the Great Indian Peninsula Railway by the State has been kept in abeyance pending a settlement of the question of the separation of Railway finance from the General finances of the country. You must be aware, sir, of almost the record profit made by the East India Railway this year, and I must convey to you the keen feeling of the commercial commu-

nity that they will not approve of such a separation of railway finance from the General finances unless the management of both these railways is taken over by the State.

FINANCE MEMBER'S SPEECH.

Sir Basil Blackett said:—

First of all, I must apologise for being late. I was entertained by one of the Governors of the Imperial Bank at a very good lunch and that was partly the cause of my being late. The other cause was that unfortunately the taxi-driver had not been exactly instructed as to where the Bombay Indian Merchants' Chamber held its meetings. However, I did not waste the time as I took the opportunity of reading in the taxi the letter, to which you have referred in your speech, which has been addressed by the Indian Merchants' Chamber to the Secretary to the Government of India in the Finance Department and which I had not had an opportunity of reading until that moment.

I should like first of all to assure you and to assure the Indian Merchants' Chamber in all sincerity that I am greatly pleased to have this opportunity of meeting you and of discussing with you the problems that we have to tackle. They are real problems. They are not problems which one is going to push forward by dialectical arguments either on one side or the other.

I made a speech at the Associated Chambers of Commerce in Bombay in December last to which you have referred. In that speech I said that certain attacks were made on the Finance Department with a political rather than an economic motive. I did not really mean by that to refer to the Indian Merchants' Chamber or to any other body. That has been said but I have not had an opportunity up to this moment of authoritatively denying it. I had really in view the habit which, I am sorry to say, exists on both sides, of forgetting the real questions as to what Indian interests are, and looking to how far Government can be damaged by the attack, or how far Government can damage other people by attacking them.

What I am anxious about to-day is that we should try and discuss the problems before us because they are problems and not because we have any particular views as to the present, past or future form of Government.

Government's Attitude.

In regard to the question of Exchange, which is the first point, sir, that you dealt with, the Government's attitude is not the attitude that it is impossible here and now to stabilize exchange. I agree that it would be possible to pass an act here and now to say that the future ratio between the rupee and gold shall be Rs. 15 to the gold sovereign without reference to sterling exchange. In my speech in Bombay in December last I dealt with both fixation in terms of sterling and fixation in terms of gold, because to my mind the two were not very different. The Government's attitude is that it is possible to stabilise exchange now, but that it is definitely not desirable to do so in the present state of the world, the present state of prices throughout the world, the present uncertainty as to price in terms of gold, and the present uncertainty as to the relation between the price of one commodity and another. It is evident that in all these conditions stabilisation of exchange is premature. The Government of India believe that it is definitely more in the interests of India at the present moment to adopt a waiting policy, i. e., not to attempt at the present moment to fix the statutory ratio between the rupee and gold, but to await events over which neither the Government of India nor the commercial community nor even the nature of the monsoon in India, has any great control. The biggest uncertainty in the world to-day is, no doubt, what is going to happen in regard to the pacification of Europe—the questions of the Ruhr and reparations. What is an equally important doubt in the minds of those who are look ing at world events is what the Americans are going to do with the large amounts of gold which they have got. At present, they are adopting an attitude of locking it up. It has affected the profits of the Federal Reserve Board and the profits of other people. The problem of large amount

of gold locked up, costing considerable sums for storage, a certain amount for military guard, and earning nothing in interest, is seriously troubling the authorities in the United States to-day. They have the alternatives of continuing their present policy or of allowing the public credit on the basis of the gold they have. The inevitable result of the latter course would be to raise dollar prices in terms of gold, that is to say, raise the gold prices. That means a depreciation of the dollar in terms of sterling and in terms of the Rupee. It is also because a decision on this question is very uncertain that it is not in the interests of India at present to decide finally on the ratio that in future is to obtain between the rupee and gold.

The only way.

At the present moment and throughout the last busy season, as a matter of fact the ratio between the rupee and gold has never yet been as high as 1s. 4d. gold. Although exchange in terms of sterling has averaged something like 1s. 5d. during the last six or seven months, it has all the time been well under 1s. 4d. gold. I calculated the other day that when the dollar exchange is 4·32 dollars to the pound sterling, 1s. 4d. gold means that the rupee has got to be 1s. 6d. sterling. The rupee has never reached that figure during the whole of the busy season. It has been claimed in the speech that you just made, sir, that India has been starved of currency in the last year, that India has not had the currency it required. If our ideal is to reach a parity of 1s. 4d. gold at the earliest possible opportunity, we are I think, open to the accusation that during the last winter we provided India with more currency than was necessary. It is a dialectical point. But if our object is to secure 1d. 4d. gold to the rupee at the earliest opportunity, the only way to do that, to my mind, is to keep India short of currency until exchange reaches that point. If we had been solely influenced by that motive, we should not have been willing to create the 24 or 26 crores of additional currency that was created last year for the purpose of relieving stringency, because if we had avoided doing so, we should have been able to secure, no doubt, that the rupee would have reached 1s. 4d. gold.

"*Managed Currencies.*"

Sir, you spoke—I am not sure whether you used the actual words—about the automatic working of a currency. Now, I believe that the real truth is that every currency in the world is a managed currency; no currency in the world is automatic in the sense that it is not managed by anybody. That is as true of the gold standard as worked in the United Kingdom before the war as it was true of the gold exchange standard as worked in India before the war. Both currencies were managed currencies. I know that the words "Managed Currencies" really mean a currency mismanaged by the Finance Member of the time, and sir, I have a good deal of sympathy with that view. I do not think that the Finance Member of any Government, and I would go further and say that any Government, is the right authority to manage a currency. But every currency is a managed currency. I would remind the Committee that at the Genoa Conference where all these questions were considered, the ultimate recommendation made by the experts and endorsed by the Government represented at the Conference was really in favour of more management of currency and not less. The recommendation was that at the earliest convenient opportunity every country should do its best to return to the gold standard, and that it should be a condition of the return to the gold standard that the central banks throughout the world should cooperate with a view to trying to maintain stability between the value of gold and the value of commodities. They should manipulate not currency in terms of gold, but in terms of commodities. I know the Committee hold strongly the view that it is undesirable to maintain the present fictitious ratio of 2s. gold. It is common ground between us that it is fictitious. What is, I think, not common ground between us is the question as to how far it is effective. I maintain that it is absolutely ineffective and does not touch anybody. If we altered the ratio to 1s. 4d. gold as suggested, I maintain that the new ratio would be equally ineffective so long as we did not take further steps so to manage or manipulate the currency as to secure that the ratio of 1s. 4d. gold were reached and were maintained.

Premature and Ineffective.

In order to reach and maintain that ratio the only step that I know it would be within my power to take would be to restrict the amount of emergency currency to be created during the coming winter, that is, to create less emergency currency, as little as possible in fact. This was the first suggestion. Quite honestly my view is that to fix the 1s. 4d. gold ratio now would not only be premature but would also be ineffective unless we followed it up by action that we all consider to be undersirable, namely, by placing further restrictions on the amount of emergency currency, that is to say, if we have a good monsoon by increasing the stringency in the money market next winter as compared with the winter which has just passed. My view is that the best we can do is to watch events. As I say, if the policy is to reach 1s. 4d. gold at the earliest possible moment, then we have post poned that earliest possible moment during the last winter by creating 24 crores of emergency currency. If we had not created the additional currency, there would have been more stringency and a higher exchange.

Whether the Government of India or the Imperial Bank manages the currency the currency still is, in my view, a managed or manipulated currency. But, subject to that, I confess to a very strong personal preference in favour of handing over to the Imperial Bank at the earliest possible opportunity the managment of the paper currency. I have said just now that I do not believe in the Finance Member, and still less in the Government, managing the currency. Provided that right conditicns obtain, the Imperial Bank would be a better agent for its management. But here again, although it involves a further policy of "wait and see," I think it is premature to take up the question of handing over the management of currency to the Imperial Bank. The Imperial Bank is itself passing through a period of transition. A few years ago it was a trinity, not a unity. It has also undertaken the very serious task of opening a hundred new branches throughout India in five years, and on the question of staff alone it is finding great difficulty, I understand, in meeting the requirements of the situation. No doubt if we were

now to hand over the management of the currency to the Imperial Bank a good deal of the machinery used by the Government at present for the management of the currency would also go with it. But my experience is that it always involves a little cost if one employer of labour hands over his employees, under contract with him, to another employer. But quite apart from this the Imperial Bank would be the better for another 18 months or a year's more experience before it was charged with the rather responsible task of taking over the management of the currency. Nor do I think that it is desirable to take up the question at present. If it is taken up, it should be taken up in connection with tha stabilisation of the rupee in terms of gold, and I hope it will be taken up in connection with a comprehensive attempt to deal with the question of emergency currency.

Emergency Currency.

I notice, sir, that in your speech you made a very interesting suggestion that emergency currency should be in a definite ratio (say 10 per cent.) to the total outstanding issues. I am not sure whether you meant gross or net, but that is a question of detail. It is, however, a very interesting suggestion which has precedent in its favour and is undoubtedly well worth consideration. But you did, not, sir, in your speech refer to the question which I regard as being of equal importance—I mean the question of the form which the security for issue of emergency currency should take. One great advantage of the existing arrangement for emergency currency under the Paper Currency Act is that it can only be issued against self-liquidating hundis. That imposes a restriction on the amount of the issues. At the same time as this provides a rather convenient index of the necessity for emergency currency it perhaps has an even more important advantage in that it provides a method of gauging the time when that currency should be withdrawn. The danger of emergency currency is that it may be issued in times of pressure and not withdrawn when the pressure ceases to exist. The result of that is the vicious circle of inflation and, however inconvenient stringency in the money market may be, I think that every one, with experience

of last ten years, will agree that temporary stringency is very preferable to permanent inflation. I hope I have covered the points which you refer to in regard to Exchange.

I should like to take this opportunity of correcting a slip I made in an answer I gave in the last session of the Assembly. The question bore a certain similarity to the correspondence which had taken place between the Indian Merchants' Chamber and the Finance Department in regard to the complaints that had been made by the Indian Merchants' Chamber about the method of moving the bank rate up and down. I stated with great assurance that it was a traditional rule in England that the Bank rate does not go up by halves, and that there was not a single instance to the contrary. But I was then quoting a traditional phrase in London which would have been perfectly correct if I had added the proper limitation—when Bank rate is 5 per cent it never goes up by halves. I have taken the opportunity since (which I ought to have taken before) of studying the movements of Bank rate for the last half century, and I find that there is no single instance in which the Bank rate has gone up by halves when it is 5 per cent., and only, I think, three instances when it has gone up by a half when it is 4 per cent. My statement, as it was made, was more picturesque than accurate.

Taxation Committee.

The next question which you refer to is the question of the Taxation Committee. I am seriously troubled to find such a preponderance of criticism over approbation in the matter of the Taxation Committee. It really is a question in which I have taken considerable personal interest. I have been personally responsible for the appointment of the Committee, and nothing that I have ever done in the brief course of membership has ever given me more trouble. The object of the Taxation Committee is to provide in the first instance the Finance Member and in the second instance the Government of India and in the third instance the people of India with something authoritative on the subject of taxation in India.

One of the first questions which I was confronted with when I arrived in India was the question of bridging the difference

between the revenue and the expenditure of the Government of India. I was confronted with the necessity of additional taxation. What kind of machinery had the Government of India with which to answer that question. Mr. Ginwala, now a member of the Tariff Board, got up in the house one day and put his finger on the position of the Finance Member when additional taxation was needed. He said that the Finance Member sent for Mr. Cook who sat on one side of him and Mr. Aiyar who sat on the other side to advise him as to how to raise the money required. My wife who was in the gallery above was very much agitated and exclaimed, "why should I send my cook and ayah to advise my husband on taxation." But with all due respect, neither Mr. Cook nor Mr. Aiyar are experts in the very difficult question of the taxation system of India. It has been more or less left haphazard for the last half century. Nobody has ever authoritatively examined the existing taxation system or a desirable taxation system for India. I have put it that this question arose in my mind with a necessity to increase taxation, or rather to balance a Budget. But I assure you, gentlemen, that the object of appointing the Committee is to be sure that if and when we raise taxes that are necessary to meet the expenditure of the Government of India (or Provincial Governments), they should be raised in the way that is best in the economic interests of India and is cheapest for the taxpayer.

More Scientific System.

I am quite sure that we are getting less revenue at present at more cost to the taxpayer and at less advantage to the economic interests of India than could be done. This would be possible if we had a more scientific system, and it is for the purpose of introducing a more scientific system that we are conducting our enquiry into taxation. I personally pressed for the appointment of this Committee a year ago. It has taken a long time to pursuade the Provincial Governments to agree to the form of the terms of reference. I have not been altogether fortunate about the selection of the personnel. Things have happened which ought not to have happened. But I do attach enormous importance to this Committee from a practical point of view.

Now, sir, in this letter which you wrote to the Finance Department you suggest that we should appoint another Committee of non-official Indians to make a detailed economic survey of India with a view to finding out the average income per head of the population and to suggest measures to reduce as far as possible the existing destitution and poverty all over the country and to raise the average economic level of the masses of the people. This subject was brought up in the Council of State by the Hon. Mr. Sethna, who moved a resolution, and I am sure no one who has been in India for any time, or even for a short time as I have been, can fail to be very interested in this problem of the poverty and destitution of an unduly large number of the inhabitants of India. But that is a long inquiry and a difficult inquiry, and it is to some extent, a theoretical inquiry. It will not help me in my time, nor possibly even my successor, to improve the taxation system of India. What I am anxious to do is to get to work. I believe the Taxation Committee will itself provide a great deal of material for the somewhat theoretical committee which might follow to examine these questions which have been raised. But I do not believe that we can get anywhere by first of all estimating the average income of any large aggregation of human beings, by then trying to agree on five different estimates of the taxable capacity, and finally finding out what our expenditure should be.

Taxable Capacity of People.

One of the difficulties always is that the taxable capacity of the people depends almost entirely on the nature of the expenditure of the Government, or in other words very largely on the form in which Government uses the money that it raises by taxation. I am perfectly willing to admit that this is one of the difficulties of our situation. An unduly large proportion of the revenue is spent on the defence of the Frontier. I do not want to embark on controversial ground. If you spend the whole of the money that you raise, shall we say, on encouraging co-operative banking and on education, the taxable capacity of the people would be very different from what it is. It is a question of expenditure very much more than a question of taxation.

do not say for a moment that it is possible to reduce military expenditure. I wish I could say so. I have spent a lot of time trying to do it. But, as I said, it is a question of what you spend your money on and not a question of the amount that you raise that is important. I hope we shall get military expenditure down to 57 crores, or even to 50 crores, the figure of Sir Purshotamdas' history, but it cannot be done all at once and it is a very difficult thing to do. It is a Western rather than an Eastern proverb which says that the nearer the bone the sweeter the meat. It is very difficult to get that last cut off the joint. But I do want the Committee to understand that it was with a view to practical results that I got interested in the problem of taxation and pressed for the appointment of the Committee. I do hope that, although it may not be the full and complete inquiry that others may desire and although the personnel of the Committee may not be entirely representative, you will recognise that the Committee has been appointed for the purpose of improving the financial and economic position of India and is itself capable of opening the door to a wider inquiry and that it is very often better to take half a loaf than get no bread at all. I had a letter only yesterday from Sir Charles Todhunter to whom I had given introductions to the League of Nations' people in Geneva. He is extraordinarily enthusiastic about the information he is picking up as to the systems of taxation in other countries. Do not, therefore, let us condemn this Committee if it is not all that all of us would desire.

Railway Finance.

The last point is the question of the separation of the Railway budget from the General budget, on which I need not say very much. I am not quite sure what the reference is to Mr. Hindley's remarks about the E. I. Railway and the G. I. P. Railway Companies. I remember his answering a question in the House, but I am not quite sure why the reply should be regarded as anything doubtful or unsatisfactory. The position is that the G. I. P. and the E. I. Railways are going to be taken over by the Government at the end of this year or possibly next year (on the expiry of their contracts). They will then become just as all other State

managed Railways. I am not the Member in Charge of the Railway Department so I have to speak with a certain amount of caution. The attitude of the Government on this question was made, I think, perfectly clear in the debate which took place a year ago. I think that we are all agreed that management by the so-called companies who are only interested in 1-15th or 1-40th of the line and who are domiciled in London is entirely unsatisfactory. The question whether it is possible to create a really Indian Railway Company with rupee capital to take over from the State the management of certain lines has been for some time under consideration, though I am not able to say that any progress has been made. But to my mind the question of separation of Railway finance from the general budget has only a very indirect connection with that. It is a reform which I took up and pressed very soon after my arrival in India. I think it is a reform which is absolutely essential for the proper arrangement both of the general budget and of the railway budget, for the economic working of the railways and for the efficient working of the Finance Department. I do not for a moment desire to reduce the control of the Finance Department over the Railways. I have been very insistent on that throughout. But I believe that the reform is a necessary and desirable one for its own sake quite independently of the question of State or Company management of Railways. I will go further. If we are to have State management and it is not to be tempered by Company management, the reform is not only desirable but essential. That is to say, however desirable the reform may be for its own sake, if, as is quite possible, we contemplate entire State management as the future of the Indian railways, then the reform is all the more urgent, not the less. It is just because that is one of the possibilities of the future that separation between the two budgets becomes not merely, as I regard it, a very desirable reform but something further,—an essential reform. If you were going to have Company management the question would not arise. It is only because some railways are State-managed that the question does arise. If all railways were to be State-managed, in my opinion it would be absolutely necessary that we should have a commercial budget for the railways

and that it should be independent of the central budget, though this does not and ought not to imply any relaxation of the control of the Finance Department and of the Assembly over the details of Railway finance.

After a short imformal discussion the President again thanked the Hon. Finance Member for his visit and the meeting dispersed.

At the close of the meeting, Mr. Manmohandas Ramji invited the members of the Committee and a few friends to tea to meet the Hon. Sir Basil Blackett.

(I) GENERAL.

APPENDIX 82.

CHAMBER'S REPRESENTATIVE ON THE ADVISORY COMMITTEE OF THE DEVELOPMENT DEPARTMENT.

No. S. D. 523 dated 26th March 1924.

From the Government of Bombay, Development Department to Chamber.

Subject:—Advisory Committee in connection with the Bombay Development Scheme.

I am directed to invite your attention to Government Order no. S. A. 394, dated the 28th January 1921, a copy of which was forwarded with Government letter no. S. A.-397, dated the 28th January 1921, and to request you to move your Chamber to elect a fresh representative from amongst its members to sit on the Advisory Committee, to be reconstited for a further period of three years, for Bombay City in connection with the Bombay Development Scheme.

2. The name of the member elected may be reported to Government at a very early date.

No. T-334 dated 31st March 1924

From Chamber to the Government of Bombay, Development Department.

With reference to your letter of the 26th instant, No. S. D. 523, I am directed to inform you that my Committee have nominated Mr. Manmohandas Ramji as a representative of this Chamber on the Advisory Committee of the Development Department.

Dated 30th October 1924.

From Mr. Manmohandas Ramji to Chamber Bombay.

I beg hereby to send in my resignation as representative of the Chamber on the Advisory Committee of the Development Department, which I hope will be accepted by the Committee.

No. T.-1331 dated 5th November 1924.

From Chamber to Mr. Manmohandas Ramji.

With reference to your letter dated the 30th ultimo I am directed to inform you that the Committee have accepted with regret your resignation as Chamber's representative on the Advisory Committee of the Development Department and put on record their appreciation of the valuable services rendered by you in that capacity.

No. T-1330, dated 5th November 1924.

From Chamber to the Government of Bombay, Development Department.

I am directed to inform you that Mr. Manmohandas Ramji having resigned his seat on the Advisory Committee of the Development Department as Chamber's representative, my Committee have nominated Mr. Manu Subedar (Sudama House, 31, Sprott Road, Ballard Estate, Fort) in his place.

APPENDIX 83.

CHEMBUR GARDEN SUBURB.

No. D—96/2166, dated 2nd April 1924.

From the Land Manager, Development Directorate to Chamber.

Ref: *Chembur Garden Suburb.*

I am sending herewith 500 illustrated booklets of Chembur Garden Suburb, for circulation among your members.

2. A representative of this office will meet intending visitors at 8-20 A.M. on Saturdays under the big clock inside Bori Bunder Station and then will proceed to Kurla by the 8-30 train to catch the 9-30 Special from Kurla to Chembur.

3. Any further information regarding the matter can be obtained by calling here any afternoon between 3-30 and 5 P.M. (S.T.).

No. T. 360 dated 3rd April, 1924.

From Chamber to the Land Manager, Development Directorate.

I beg to acknowledge receipt of 500 illustrated booklets of Chembur Garden Suburb enclosed with your letter No. D.-96/2166 of 1924, dated the 2nd instant, and to state that the same will be distributed among the members of this Chamber as desired by you.

No. D-96/2469 dated 9th April, 1924.

From the Land Manager, Development Directorate to Chamber.

Ref: Chembur Garden Suburb.

You have doubtless been made aware through the columns of the daily papers of the opening up of Chembur Garden Suburb by the Development Directorate.

2. There are, I think, many of your members who would welcome an opportunity to hear all about the Suburb and to be given an opportunity to make enquiries, and for this purpose, I suggest giving a lecture to your members at a place and on a day, which you think, would best meet the convenience of the majority.

3. I am convinced that Government has your sympathy in its efforts to induce Bombay Workers to live in open and healthy country with easy access to the City.

4. Will you please advise me as to a suitable date and time when I may talk to your members?

No. T—419 dated 14th April 1924.

From Chamber to the Land Manager, Directorate of Development, Bombay.

With reference to your letter of the 9th instant, No. D. 96/2469 of 1924, I am directed by the Committee of this Chamber to write to you that as a large number of members of this Chamber are not conversant with English it will be better for your purpose to issue to all the members of the Chamber a pamphlet in Gujrati similar to the one you have already issued in English rather than deliver a lecture before them. Such a pamphlet in Gujrati will give the information to members of the Chamber as desired by you.

No. D-96/2906 dated 24th April, 1924.

From the Land Manager, Development Directorate, to Chamber.

Ref: Chembur Garden Suburb.

With reference to your letter of the 14th instant I have to inform you that the cost of a special booklet in Gujrathi would be prohibitive.

APPENDIX 84.

INSPECTION OF THE WORKS OF THE BACKBAY RECLAMATION.

No. D. B.-133 dated 7th April 1924.

From the Director of Development to Chamber.

I shall be very pleased to afford facilities for any members of your Chamber, who may desire to do so, to inspect the works of the

Back Bay Reclamation and would suggest Monday, the 28th instant, as a suitable date. An inspection train will be in readiness at 5 p.m. on that day at the old Chowpatty level crossing (west of the B. B. & C. I. Railway) to convey the party, and on the return journey from Colaba, the train will stop at the Wodehouse Bridge, Church Gate and Marine Lines Stations for the convenience of those who desire to alight at these intermediate points. The seating capacity of the train is 96 and I would request that the number may be kept within that limit.

No. T. 413 dated 14th April 1924.

From Chamber to the Director of Development, Bombay.

I am directed to express thanks of my Committee for your letter of the 7th instant No. D. B. 13 . They will be glad to take advantage of your kind offer to members of this Chamber to inspect the work of the Bombay Backbay Reclamation and approve of Monday, the 28th instant as a suitable date for the purpose. A circular for the purpose is being issued to members of the Chamber. It is noted that the capacity of the train will be 96.

APPENDIX 85.

FACILITIES FOR INDIAN MERCHANTS IN BELGIUM.

No. 856, dated the 27th May, 1924.

From the Belgian Consul, Bombay to Chamber.

I have the honour to inform you that I am in receipt of a despatch of my Government informing me:—

(*a*) that the "Office Commercial de l'Etat", 15 rue des Augustins, Brussels, Belgium, will put at the disposal of foreign buyers

visiting Belgium, free of any charges, an office where they can receive the visits of the Belgian Manufacturers on the appointed days and hours. The "Office Commercial de l'Etat" is open from 9-30 A.M. to 4 P.M.

(*b*) That the "Office Commercial de l'Etat" will do its utmost to help them, if before leaving their country they inform the Belgian Diplomatic or Consular Agents:—

(1) of the object of their visit.

(2) of their Bank references.

(3) of the probable date of their arrival in Belgium.

(*c*) That the "Office Commercial de l'Etat" will keep for them all the letters, telegrams, samples, etc, sent to their address at said "Office Commercial".

(*d*) That the foreign buyers may be assured that they will receive the most cordial welcome from the "Office Commercial de l'Etat", where a special administration keeps the addresses of all the Belgian manufacturers of any special article of Belgian production.

In bringing the above to your notice, I wish to inform you that I shall always be pleased to assist the members of your Chamber or any person directly recommended to me through you personally.

No. T. 639 dated 2nd June 1924.

From Chamber to the Consul for Belgium, Bombay

I am directed to acknowledge receipt of your letter No. 856 dated the 27th ultimo and to inform you that the information contained therein will be brought to the notice of the members of this Chamber.

My Committee highly appreciate the courtesy of the Office Commecial de L'Etat and thank you for your kind offer to assist the members of this Chamber or any person directly recommended by this Chamber.

APPENDIX 86.

NON-INCLUSION OF THE UNIVERSAL FIRE AND GENERAL INSURANCE CO. LTD. IN THE APPROVED LIST OF FIRE INSURANCE COMPANIES OF THE BOMBAY IMPROVEMENT TRUST.

No. T. 469 dated 28th April 1924.

From Chamber to the Bombay Improvement Trust.

The attention of the Committee of this Chamber has been drawn to the omission of the Universal Fire and General Insurance Co., Ltd. from the list of the Fire Insurance Companies approved by the Board of Trustees of the Bombay Improvement Trust. It is against the accepted policy of the Committee of this Chamber to write anything with regard to individual concerns unless some question of principle is involved and it is because such a question of principle is involved that my Committee are writing on this occasion to your Trust. The list of the approved Insurance Companies shows that there are about six dozen insurance companies which are considered good enough by the Trustees to be on this list, which means that practically all the companies doing business in Bombay are included. It is interesting to note that this list includes even the Sphere Fire and General Insurance Co., Ltd. and the National Benefit Insurance Company, which my Committee understand have gone into liquidation since 1922. This incident shows that either the list is not revised at all or that the Trustees are not very careful as to which companies go on this list. The Universal Fire and General Insurance Co., Ltd., as can be seen from its statement of accounts, can well stand comparison with several other companies on the list, though my Committee do not wish to perform the invidious task of going into comparative details. This Company is also approved by the Bombay Port Trust, Bombay Municipality and the Imperial Bank of India. My Committee are further given to understand that their policies were accepted by the Trust

before after which through reasons unknown the Trust has persistently refused to place their name on the list. I am directed by the Committee of this Chamber to enquire of you the reasons which led to the exclusion of the Universal Fire and General Insurance Co., Ltd., from the approved list of the Trust and to hope that if there are no valid reasons forthcoming its name may be included in the list, as such an exclusion without any valid reason being shown for the same acts very unfairly towards this particular concern.

No. Misc. 1027-21 dated 30th April 1924.

From the Bombay Improvement Trust to Chamber.

With reference to your letter No. T. 469 of the 28th instant, I have the honour to state that the Company in question was informed as recently as the 17th instant, that the matter is still under consideration.

Dated 7th May 1924.

From Messers the Universal Fire and General Insurance Co. to Chamber.

Re. Bombay Improvement Trust.

We thank you for the copy of reply you received from the above Trust to your letter of the 28th ultimo regarding the inclusion of our Company's name in their approved list.

We may inform you that the reply is a stereotyped one, such as we have been receiving ever since we opened negotiation for the inclusion of our Company in their approved list. Besides we never received a reply to our inquiry as to when the list was revised. In any event we shall be obliged if you will request the Board to inform the Insurers that the inclusion of the Company's name is under consideration. A great injury is unintentionally caused to our Company by the statement that the Company cannot be included in the approved list.

We shall feel highly obliged if you will see your way to inquire when consideration is given by the Board to applications for inclusion on Approved List and request an early consideration of this application.

No. T. 568 dated 14th May 1924.

From Chamber to the Hon. Mr. Phiroze C. Sethna.

I am directed by the Committee to forward to you herewith copy of a letter from Messrs. the Universal Fire and General Insurance Co., Ltd., and to request you to be good enough to do the needful in the matter.

No. T. 569 dated 14th May 1924.

From Chamber to the Universal Fire and General Insurance Co., Ltd.,

Re : Bombay Improvement Trust.

I have to inform you, with reference to your letter of the 7th instant on the above subject, that the Committee have resolved to forward a copy of your said letter to the Hon. Mr. Phiroze C. Sethna who is one of the Trustees of the Bombay Improvement Trust, for necessary action in the matter.

APPENDIX 87.

REFORM OF THE CALENDAR.

No. 2882 F. dated 8th January 1924.

From the Government of Bombay, Finance Department to Chamber.

I am directed to forward for favour of opinion a copy of the Government of India, Legal Department, letter No. 7973,-G. dated 14-18th December 1923 with accompaniments. I am to request that a reply to this communication may be furnished as soon as possible and in any case not later than 19th January 1924.

Letter from the Government of India, Legislative Department, Delhi, No. 7973-G. dated 14th December, 1923, to Certain Local Governments.

Subject:—Question of the reform of the calendar.

I am directed to forward herewith a copy of the papers noted on the margin, and to request that, after consulting the Hon'ble the Judges of the High Court and such commercial and banking bodies as they may think fit to address, the Local Government will favour the Governmet of India with their observations on the proposals made for the reform of the calendar by the Advisory Committee of the League of Nations.

Letter from the India Office, No. I. & O. 3985—23, dated the 16th November, 1923, and enclosures.

2. I am to ask that a reply to this communication may be furnished as soon as possible and in any case not later than the 25th January, 1924.

India Office, Whitehall, London, S. W. I.

No. I. & O.-3985—23. Dated 10th November 1923.

League of Nations. Report of Advisory Committee on Communications and Transit regarding question of reform of the calendar.

I am directed by the Secretary of State for India to forward, for information, copy of the papers, noted below.

2. It is possible that an official communication will be made by the Secretary of State to the Government of India on this question.

J. C. WALTON,

Assistant Secretary,

Industries and Overseas Department.

The Secretary to the Government of India,

Legislative Department.

I. C. L. 114-1923. VIII and enclosure. Letter from Secretary-General (with enclosures) dated 1st November asking for any remarks and suggestions the Government of India may have to offer on the question of the reform of the calendar.

2. Further letter from Secretary-General, dated 3rd November, regarding question of communication of observations of religious authorities.

C. L. 114 1923 VIII.

LEAGUE OF NATIONS.

GENEVA

1st November 1923.

I have the honour to inform the Government that the Advisory and Technical Committee for Communications and Transit of the League of Nations considered the question of the reform of the calendar. On account of the great inconvenience caused in economic life, and more especially in the transport trade by the use of the present calendar, the Advisory Committee adopted at its last meeting the following resolution with regard to the matter. It was decided that this resolution should be communicated to all the Governments and religious authorities concerned, and should be included in the Advisory and Technical Committee's general report which was approved by the Assembly of the League at its last session:

"The Advisory and Technical Committee for Communications and Transit:

"Considers that the investigation of the reforms which may be introduced into the Gregorian Calendar will inevitably affect very considerably the conditions of economic life and international traffic by introducing a more uniform and more rational measurement of time;

"Is glad to note that the invitations to a preliminary consultation sent, on its behalf by its Chairman, to His Holiness the Oecumenical Patriarch, and to His Grace the Archbishop of Canterbury, have been accepted;

"Has held a meeting, at which it was assisted by:

"The Rev. Father Gianfranceshi,

President of the Academy "dei nuovi Lincei", designated by the Holy See;

"Professor D. Eginitis,

Director of the Observatory of Athens, designated by His Holiness the Oecumenical Patriarch,

"The Rev. T. E. R. Phillips,

Secretary of the Royal Astronomical Society, designated by His Grace the Archbishop of Canterbury;

and accordingly notes from the declarations made that:

"1. From the point of view of dogma strictly speaking, the idea of the reform of the calendar both with regard to the fixing of Easter and the more general question of the reform of the Gregorian Calendar, does not meet with difficulties of such a nature that they can be regarded beforehand as insuperable;

"2. It was unanimously agreed that no reform of the calendar, and in particular no decision regarding the fixing of Easter (a question which is essentially a religious one), is practicable without agreement between the various high religious authorities concerned;

"3. That the changes in existing conditions involved by any reform are only justified and acceptable if definitely demanded by public opinion with a view to an improvement of public life and economic relations.

"The Committee therefore decides to continue the examination of the question by means of the establishment of a special Committee of Enquiry composed of:—

"Jonkheer van Eysinga,

Member of the Advisory and Technical Committee for Communication and Transit, *Chairman*

"The Rev. Father Gianfrancesc hi,

" Professor D. Eginitis,

"The Rev. T. E. R. Philips,

who have very kindly consented to continue to collaborate with the Committee.

"The following will also be invited to join this Committee:

"M. Bigourdan,

former Chairman of the International Astronomical Union's Committee on the Calendar;

"Mr. Willis H. Booth,

President of the International Chamber of Commerce.

"The Special Committee of Enquiry will consider questions relating to the reform of the calendar, taking as a starting point the scheme prepared by the International Astronomical Unions made at the meeting in Rome in May 1922, and of the recommendations made by the International Chamber of Commerce at its Congress in London in June 1921.

"This present resolution will be brought to the notice of all Governments and of the religious authorities concerned, who are invited to transmit any remarks or suggestions they may think fit to the Committee before March 1st, 1924."

I have also the honour to send you an extract from the Minutes of the meeting held at Rome in May 1922, by the Calendar Reform Committee of the International Astronomical Union, and the recommendation proposed by the International Chamber of Commerce, mentioned in the resolution, which are to serve as a basis for the work of the Special Committee of Enquiry which has been appointed.

In accordance with the resolution, I have the honour to beg you to forward to me, for transmission to the Special Committee of Enquiry, any remarks or suggestions which the competent authorities of the Government may, after consideration of the enclosed texts, desire to make.

It is understood that the replies to this enquiry—which, though indispensable, is purely advisory and preliminary—will in no way

be considered as binding upon the Government, should a conference subsequently be summoned, and should this conference be called upon to draft and to adopt definite measures with regard to the matter.

The enclosed texts, which are to serve as a starting-point for the work of the Committee of Enquiry, have been chosen and communicated to the Governments in order to define as precisely as possible the lines of the enquiry and to facilitate a comparison of the observations and opinions received rather than to restrict in any way suggestions as to the bearing and extent of the proposals for reforms.

ERIC DRUMMOND,

Secretary-General.

C. L. 114. 1629. VIII.

Annex.

LEAGUE OF NATIONS.

Advisory and Technical Committee for communications and transit.

Annex. to the Resolution concerning the Reform of the Calendar adopted by the Committee on August 31st, 1923.

I. Extract from the Minutes of the Session, held at Rome in May 1922, by the Committee for Calendar Reform of the International Astronomical Union.

(32) Reform of the Calendar.

[Translation.]

The Chairman began with a general summary of the question. He thought that it was not necessary to discuss the question in detail. The subject with which the meeting was dealing had been considered from every point of view; it had been brought to the knowledge of all by numerous publications and Congresses.

The Congresses of Chambers of Commerce at London in 1910, at Boston in 1912 and at Paris in 1914, and the International Association of Academies at Petrograd in 1913, demanded a simplified perpetual and universal calendar. The Liege Congress in 1914, which made a special study of the reform of the calendar, laid down various principles for such a reform. The present Congress was now resuming, or rather continuing, the work. Of course, this reform was not solely of astronomical interest—it was of general interest. The astronomers had, however, been asked to give their opinion. M. Bigourdan said that it was not proposed that the various schemes that had been suggested should be examined one after another, but that the intrinsic nature of the problem should be considered from a scientific point of view. At the moment there was no idea of dealing with the objections that might be raised on points of detail nor with the difficulties which might possibly in the future delay the putting into practice of this reform. The object of the present Committee was only to determine, from the theoretical point of view, the fundamental basis for a calendar which should be as perfect as possible. Valuable work would have been done if, with this aim in view, the Committee was able, at the end of the present series of meetings, to submit a scheme for a perpetual calendar such as might be adopted by all the groups concerned.

General Discussion.

M. Deslandres said that he had already considered this reform on several occasions. It was at his suggestion that the creation of an international committee for the calendar was decided upon at Petrograd in 1913. He added that the question had been studied sufficiently to make it possible to arrive at decisions, and that such decisions would be of no value unless they resulted in the adoption of a perpetual calendar. MM. Armand Baar, Nijland and Father L. Rodes were also of opinion that they should not hesitate to adopt the only possible solution, that is to say: to make the calendar perpetual.

The meeting then considered the various questions on the agenda.

1. Should a Calendar already in use but capable of improvement be taken as a Basis

Almost all the members answered in the affirmative and selected the Gregorian Calendar as the one to be perfected. Following the example of Japan and China, Russia and Bulgaria had abandoned their traditional calendars to adopt the Gregorian Calendar. Other countries were on the point of doing the same thing. This was a great step forward. Those countries which still used different calendars should be encouraged to adopt the Gregorian, which would establish a preliminary unification. As this calendar was much the most widely known and the least imperfect, it might be taken as a startingpoint when preparing a new and a better calendar.

M. Delaporte proposed that the calendar should be allowed to continue their cycle without any change being made, and that an auxiliary calendar independent of the other, and meeting economic requirements, should be adopted.

The Committee did not agree. It insisted on the one hand on the necessity of perfecting the Gregorian Calendar, and, on the other, with a view to meeting economic requirements, it expressed its agreement with the following recommendation, already made in 1919 by the Society for Encouraging National Industry (Paris):

"The Society for Encouraging National Industry desires to draw attention to the system of an auxiliary calendar, the so-called economic calendar ("Le Chronos") proposed by M. Delaporte, as a system suitable for recommendation to persons interested in the matter who might with advantage make use of it.

> "The Society draws attention to the fact that this system, and the methods indicated by its author obtaining agreement between the customary divisions of the *civil* year and those of the so-called *economic* year, would make it possible to unify and regularise the use of divisions specially designed with a view to accounting or statistical operations—a practice already frequently adopted in industrial circles."

2. Defects of the Gregorian Calendar.

Attention has often been drawn to the defects of the Gregorian Calendar which are well known. The Chairman gave a summary of them: The chief defect was the lack of a permanent concordance between the dates of the month and the days of the week. When the first of January of any year fell on a Monday, the next year it fell on a Tuesday, or even a Wednesday if the preceding year, had been a leap year. In order to find out on what day of the week any date of a given month fell, it was necessary to make use of a table for the year in question, and it was necessary to have this table continuously at hand.

Neither the quarters nor the months were equal. There were months of 28, 29, 30, and 31 days. The names of the earlier months were arbitrarily chosen and those of the latter months incorrect.

Another defect was the fixing of the beginning of the year at a date which created a divergence between the astronomical seasons and the quarters of the year.

Another point was the great movability of the date of the festival of Easter, between March 22nd and April 25th, which constituted a disturbing factor in university, judicial and commercial life, etc.

Abbe Chauve Bertrand said that from a religious point of view this last disadvantage was even more serious in view of the disturbance it occasioned in the sequence of festivals and of Sundays. Certain festivals could not be celebrated on the day on which they fell because they coincided with a more important festival or Sunday, and had therefore to be postponed to days which were free, For instance, quite frequently St. Joseph's Day (March 19th) or the Annunciation (March 25th) had to be postponed to April or May. When Easter fell early, the last of those Sundays which were known as Sundays after Epiphany had to be postponed to the end of all the Sundays after Pentecost and were celebrated in November. This produced great complication in liturgical books. The "Ordo" had

to be drawn up afresh each year. A priest was obliged to consult the "Ordo" every time he wanted to say Mass or his Breviary. These disadvantages had been reduced by the reforms carried out by Pius X; but they only would disappear altogether if a perpetual calendar were adopted.

3. Choice of the Elements of the new Calendar : The Era.

The elements of the new calendar were then discussed; the first of these on the programme was the Era.

The Chairman said that many objections to the present era had been made, for instance. the fact that it did not go far enough back. It was also not universal; Japan and China—which had adopted the Gregorian Calendar—had kept their national eras. It was, however, obviously impossible to alter the chronological dates and the present era would have to be adhered to.

After discussion, the Committee was of opinion that the present era could not be interfered with, and attention was drawn to the fact that the Julia era could be used for events prior to the present era.

4. Length of the Year : Should the Gregorian Cycle of 400 Years be retained or altered ?

Astronomers were particularly well qualified to deal with this point. It had been studied with great care for several years.

The Chairman was of opinion that any proposal for an alteration of the Gregorian rule of interpolating leap-year days should be rejected, since that system was sufficiently accurate to be capable of being applied for several thousands of years more, and also since it was remarkably simple and practical and because the slight variation in the length of the year as at present adopted was not sufficiently accurately established for it to be possible, at the moment, to think of laying down a rule which would be applicable thirty or forty centuries hence.

The idea of cutting out one leap-year day every 128 years instead of suppressing three in each period of four centuries was not taken into consideration by the Committee, which unanimously decided in favour of keeping the Gregorian cycle of 400 years at present in use.

5. The Moment at which the Year should begin.

The Chairman explained that the present beginning of the year, which occurred about ten days after the winter solstice, was arbitrarily chosen, and that by putting January 1st at the date which at present was December 22nd, it would be possible to make the quarters and the astronomical reasons correspond more exactly, which would be an advantage at any rate so far as statistics were concerned. The Chairman went on to say that Julius Cæsar would have put his January 1st at the winter solstice had he not been afraid that this might jeopardise the adoption of his reform.

M. Deslandres was also of opinion that January 1st should be put back to December 22nd. Father Rodes, MM. Delaporte, Miller, Armand Baar and de la Baume-Pluvinel supported this proposal. M. Nijland and Father Stein, on the other hand, thought January 1st should not be interfered with. The Secretary read a passage from the memorandum sent in by M. Eginist, of Athens, in which he said that "it was not practical to change the date of the beginning of the year."

Abbe Chauve Bertrand said that when the Gregorian reform was introduced, papal commissioners had proposed the suppression not only of 10 days but of thirteen, with a view to fixing Christmas on the exact day of the winter solstice. He added that in that case Christmas and not January 1st was in question, but as the latter festival was also regarded as the religious New Year, this was a further argument in favour of beginning the year at the winter solstice.

The proposal to begin the year on December 22nd was put to the vote and carried by a majority.

6. Division of the Year to be retained or established: Hours, Days, Weeks, Ten days Periods.

The Committee was of opinion that for the moment it was not advisable to interfere with the division of the day into 24 hours.

It also unanimously decided that it was not advisable to consider ten-day periods or similar periods, and that the seven-day week with six working days being in use everywhere, or almost everywhere, and having been universally adopted, particularly because experience had shown that it represented a wise estimate of man's working power, should therefore be retained.

7. If the Week is retained, should its absolute continuity also be adhered to ?

When broaching this point of capital importance in any reform of the calendar, the Chairman said that one of the earlier schemes in which a breach in the absolute continuity of the cycle of weeks was suggested had been published by an Italian priest—Abbe Mastrofini—in 1835. Since that time almost all the schemes which had attracted attention—those of Auguste Comte, MM. Flammarion, Armelin, Grosclaude, Armand Baar, Paul Delaporte, Robertson, Costworth, Carlos de la Plaza, etc., advocated a breach in continuity of one day in ordinary years and of two days in leap-years. The London, Petrograd, Boston, Brussels, Liege und Paris Congresses had asked for a perpetual calendar. M. Bigourdan pointed out, however, that there was apparently no other method of making the calendar perpetual than that of setting one or two days altogether aside as blank days.

Father Stein feared that it would not be easy to get a breach in the continuity of the weeks accepted.

M. Armand Baar, speaking of the difficulties which might arise with regard to the carrying out of this reform, said that at the Liege Congress in 1914 Mr. Alexander Philip had stated that the Anglican Church would not accept blank days but that since that time Mr.

Philip had informed him that the Anglican Church had reconsidered its first decision and that it was now prepared to accept this point in the proposed reforms.

M. Deslandres stated that no serious reform of the calendar was possible unless weeks were fixed, and that this could only be done by a breach of their absolute continuity. Father Rodes also declared himself in favour of blank days.

After this exchange of views, the Chairman reminded the Committee that the present Congress had no intention of entering into an examination of the *practical* difficulties with which the universal acceptance of the reform might meet, but that it merely intended to lay down the fundamental principles on which an improved calendar should be based. When Abbe Crozes of Paris came to Rome in 1884 to submit to Leo XIII the suggestion of giving Easter a fixed date His Holiness had replied that, first of all, the astronomers should reach an agreement as to the calendar, and referred him to the Institut de France. The International Chamber of Commerce, represented by M. Armand Baar, had also requested the astronomers to state their views. The astronomers need therefore only consider the question from a purely scientific point of view.

At the request of the Chairman, the Secretary read a letter from M. Nijland, who had been present at the previous meetings and who, when expressing his regret at not being able to be present at that meeting, indicated the conditions which he considered indispensable, the second of which was the following: "To have fifty-two weeks of seven days with one or two supplementary days."

The following passage from M. D. Eginitis' memorandum was also read: "The year will be composed of fifty-two weeks, plus one or two blank days".

The problem of the fixing of weeks was more or less the same as that which had been settled in the case of the months when lunar-solar calendars were abandoned and the solar calendars adopted. Before that time the months were regulated according to the

changes of the moon, but this system could not be brought into harmony with the solar year. The lunar sequence had been broken in order to fix the months in conformity with the solar year. The same system was now suggested for the weeks, so that the calendar should be based on a fixed solar year as a whole as well as in its secondary divisions.—Ample time was devoted to the examination of this point, in view of its great importance.—All those who desired to express their views were one after another invited to speak.

At the end of the discussion, the Chairman put this point to the vote. It was adopted with only one vote against.

With regard to the place to be assigned to the supplementary day in each year and to the leap-year day, the Committee was of opinion that it was preferable not to enter into the details, which were to be carefully examined at a future date, and to confine itself to dealing with fundamental questions.

8. Months. Should there be twelve or thirteen months in the year? How should they be named?

M. Munzberger handed in a special scheme for dividing the months.

M. Delaporte read a note giving a summary of the points he considered desirable. He was not against retaining the twelve months but he had drawn up an auxiliary system consisting in the use of periods of 28 days divided into 14- and, 7-day periods. He showed and explained to the Committee various instruments illustrating his system, among others a regulator for clocks and tables of the Gregorian calendar transformed into the "Chronos" Calendar by simple divisions grouping the day in seven-day periods or weeks according to the system used.

M. Armand Baar said that the 28-day periods, or 28-day months, might perhaps appear more symmetrical at first sight, but that the perfection of this system was apparent rather than real. These thirteen months could not be divided by 2, by 4 or by 6. The

six-month and three-month periods or the half years and quarters therefore dis-appeared, since each quarter would have to contain three 28-day months plus one week, and each half-years six times 28 days plus two weeks. M. Baar went on to state that the half-years and quarters, or the six-month and three month periods, if this expression were preferred, were of great use in business. For this reason he recommended that the twelve- month system be kept.

Several other members also declared themselves in favour of the retention of the twelve-months, which might be made equal by composing each quarter of two months of 30 days and one month of 31—*i.e.*, 91 days divided into 13 complete weeks. This was also the view expressed by M. Eginitis in his memorandum.

The Abbe Chauve-Bertrand was also in favour of the twelve-month system. He further asked whether it would not be possible to find a basis for an agreement between supporters of the systems of three-month periods and supporters of the thirteen-month system, since the supporters of both systems were numerous.

The Chairman replied that an agreement did not seem possible unless one system-that of twelve-months—were regarded as the main and official system, and the other 28-day system were only considered as an optional and auxiliary system.

The Chairman put to the vote the question of keeping twelve months divided into four three-month periods, each consisting of two 30-day months and one 31-day month. The proposal was carried unanimously.

With regard to the use of the 28-day system as auxiliary one, the Committee was of opinion that it had already expressed its views when it accepted the recommen lation made by the Society for Encouraging National Industry. The Committee passed over the question of the names of months, since only the more important matters could be dealt with. It merely noted that the original names of months in the case of almost all races had been based on

numbers, as was the case of the Roman months at the time when there were only ten. Later the first eight months had been called after gods or great men. The four last, which had remained numeral, led at present to mistakes, since the names no longer corresponded to the order of the months bearing them. The Committee merely suggested the idea that the names showing the order of each month should again be adopted, and that in any case the names of the last four months should be changed.

9. Festival of Easter.

Only one question remained, namely, the festival of Easter, and it had been thought that it might perhaps be desirable to do away with the great variations in the date of this festival.

M. Delaporte considered that there was no reason to deal with this point since it should be left entirely to religious authorities, who were alone competent to decide on this matter. He also added that if the Committee dealt with the Christian Easter, would it also attempt to fix the Jewish festival or the movable festivals of the Mussulmans and of other religions.

The Chairman quite agreed that alterations in the dates of such festivals should be left to the religious authorities, which were the only ones competent to take such action. He had already said at the beginning of the meeting that the present Committee was mainly intended to endeavour to obtain the fundamental basis, from an astronomical and scientific point of view, for an improved calendar. Once that basis had been found, every Church and every nation or group would be able to fix its festivals, both religious and civil, and its anniversaries. If, however, the reform was one day to be carried out simultaneously by everyone, it was necessary for the authorities concerned to prepare it in conjunction. Although astronomers were only expressing their views at that time with regard to those matters which specially concerned them, it would obviously be desirable for them to exchange opinions with other groups and particularly with the Churches. It was with this object that the Committee, having no member authorised to express the

views of the Holy See, had already decided at its first meeting to write to the Head of the Catholic Church to ask him to be so good as to appoint one or more representatives who might act as intermediaries between the Committee and the Holy See.

M. Bigourdan said that in 1913 at Petrograd the Committee appointed to consider the reform of the calendar had been authorised to get into touch with the heads of various religions should they consider it advisable to do so. At the moment there was a special reason for entering into such negotiations with the Holy See, namely, the fact that the Congress was meeting at Rome. He therefore again asked for authority to write a letter to the Holy See, and his proposal was unanimously agreed to.

M. Bigourdan said that an attempt would then be made to secure a representative of the Anglican Church, who might be nominated through Mr. Philip, just as the representative of the Greek Church would be appointed through M. Eginitis ; and in the same manner an effort would be made to find representatives of other religious and civil groups. There was already an official representative of the International Chamber of Commerce: M. Armand Baar. M. Bigourdan further stated that Easter was chiefly referred to because it was the principal festival of the Christian religions and was kept in all the countries of the most civilised part of the world. Should the Holy See fix the date of this festival, its example would certainly be followed by the other Churches. The exchange of views which had taken place on this matter showed that the fixing of Easter had been demanded by various interests, such as, for instance, commercial interests; but there was also an astronomic, or at any rate a scientific, reason. This reason, which had already been often explained, was the fact that the movable character of Easter was a relic of the lunar-solar calendar which the Hebrews used at the time when this festival was first instituted. That calendar was now obsolete and had been abandoned. Progress would therefore be made by fixing this festival according to the solar calendar.

A relatively stable date might be obtained without any alteration in the rest of the calendar ; it would be sufficient to cease to take the

lunar month into account. If the festival were fixed on a given Sunday, the variability would be reduced to seven days, like that of Sundays themselves. Absolute fixation would only be possible should Sundays first be made invariable. Absolute stability was the main object in view.

The Secretary read a passage from M. Eginitis' memorandum in which it was said that "the Greek State was in a position...to unify the measure of time immediately...*without interfering with religious festivals*".

The Chairman said that, after the exchange of views which had just taken place, the Committee did not consider that it was entitled to go further into this question. He proposed that the Committee should confine itself to voting the following recommendation:

> "*The Committee expresses its desire that the festival of Easter should be stabilised*"

This recommendation was carried unanimously.

The final results of the Committee's work could be summarised in the three following fundamental points :

> (*1*) *Adoption of a perpetual calendar, keeping 52 weeks plus one or two blank days.*
>
> (*2*) *January 1st to take the place of the day at present occupied by December 22nd.*
>
> (*3*) *The 364 days to be divided into four periods of 91 days each, i.e., two months of 30 days and one of 31, without excluding an auxiliary division into periods of 14 and of 28 days.*

G. BIGOURDAN,

Chairman.

CHAUVE-BERTRAND,

Secretary

Rome, May 12th, 1922.

11. Resolution adopted by the first Congress of the International Chamber of Commerce, held at London, 1921.

[Translation.]

Reform of the Calendar.

The Congress of the International Chamber of Commerce approves the principles adopted by the Preliminary Committee for the Reform of the Calendar, that is to say, the principle of convening in the near future a special Congress at which the ecclesiastical, scientific and commercial world should be represented for the purpose of adopting a perpetual and fixed calendar.

LEAGUE OF NATIONS.

Geneva,

November 3rd, 1923

Societe Des Nations.

My Lord,

In a letter dated November 1st No. C, L.-114, I had the honour to inform all Governments that the Advisory and Technical Committee for Communications and Transit of the League of Nations has been considering the question of the reform of the Calendar. On account of the inconveniences caused in economic life, and more especially in the transport trade, by the use of the present calendar, the Advisory Committee adopted at its last meeting with regard to this matter the resolution quoted below. It was decided that this resolution should be communicated to all the Governments and religious authorities concerned, and should be included in the Advisory and Technical Committee's report which was approved by the Assembly of the League at its last session :

" The Advisory and Technical Committee for Communications and Transit:

"Considers that the investigation of the reform which may be introduced into the Gregorian Calendar will inevitably affect very considerably the conditions of economic life and international traffic by introducing a more uniform and more rational measurement of time:

"Is glad to note that the invitations to a preliminary consultation sent, on its behalf, by its Chairman, to the Holy See, to His Holiness the Œcumenical Patriarch, and to His Grace the Archbishop of Canterbury, have been accepted:

"Has held a meeting, at which it was assisted by:

The Rev. Father Gianfranceschi, President of the Academy "dei nuovi Lincei," designated by the Holy See;

Professor Eginitis, Director of Observatory of Athens, designated by His Holiness the Œcumenical Patriarch;

The Rev. T. E. R. Phillips, Secretary of the Royal Astronomical society designated by His Grace the Archbishop of Canterbury.

and accordingly notes from the declarations made that:

"1. From the point of view of dogma strictly speaking, the idea of the reform of the Calendar, both with regard to the fixing of Easter and the more general question of the reform of the Gregorian Calendar, does not meet with difficulties of such a nature that they can be regarded beforehand as insuperable.

"2. It was unanimously agreed that no reform of the calendar, and in particular no decision regarding the fixing of Easter (a question which is essentially a religious one) is practicable without an agreement between the various high religious authorities concerned;

"3. That the changes in existing conditions involved by any reform are only justified and acceptable if definitely demanded by public opinion with a view to an improvement of public life and economic relations.

"The Committee therefore decides to continue the examination of the question by means of establishment of a special Committee of Enquiry composed of:

Jonkheer van Eysinga, Member of the Advisory and Technical Committee for Communications and Transit.

The Rev. Father Gianfranceschi:

Professor Eginitis:

The Rev. T. E. R. Phillips.

who have very kindly consented to continue to collaborate with the Committee.

"The following will also be invited to join this Committee:—

M. Bigourdan, former Chairman of the International Astronomical Union's Committee on the Calendar;

Mr. Willis H. Booth, President of the International Chamber of Commerce.

"The special Committee of Enquiry will consider questions relating to the reform of the calendar, taking as a starting-point the scheme prepared by the International Astronomical Union at the meeting in Rome in May 1922, and of the recommendations made by the International Chamber of Commerce at this Congress in London, in June 1921.

"This present resolution will be brought to the notice of all Governments and of the religious authorities concerned, who are invited to transmit any remarks or suggestions they may think fit to the Committee before March 1st, 1924."

I have had the honour to send Your Lordship an extract from the Minutes of meeting held at Rome in May 1922 by the Calendar Reform Committee of the International Astronomical Union, and

the recommendations proposed by the International Chamber of Commerce, mentioned in the resolution, which are to serve as a basis for the work of the special Committee of Enquiry which has been appointed.

In accordance with the resolution, I have had the honour to beg Your Lordship to forward to me, so that I may transmit them to the special Committee of Enquiry, any remarks or suggestions which, after consideration of the texts in question, the Indian Government may wish to make.

"On the other hand, as the above enquiry should extend not only to the governments but also to the interested religious authorities, I have the honour to request Your Lordship to be good enough to take whatever action may be considered possible and advisable in order to ascertain and communicate to me such observations as any such authorities as have their seat in India may desire to put forward.

I have, etc,

(Sd.) INAZO NITBOE,

Secretary-General, p. i.

The Right Honb'le the Secretary of State for India,
Industries and Overseas Department,
India Office.

No. T.-56 dated 14th January 1924.

From Chamber to the Government of Bombay, Finance Department.

"With reference to your letter No. 2882-F, dated the 8th instant, forwarding a copy of the Government of India, Legal Department, letter No. 7973-G dated 14/18th December 1923, with accompaniments with regard to the question of the reform of the calendar, I am directed by my Committee to state that they do not approve of the proposed reform of the calendar.

APPENDIX 88.

DRAFT CONVENTION ON ARBITRATION CLAUSES PREPARED BY THE ECONOMIC COMMITTEE OF THE LEAGUE OF NATIONS.

No. 9215-G. dated 6th November 1923

From the Government of Bombay, Revenue Department to Chamber.

Subject :—Draft convention on Arbitration clauses prepared by the Economic Committee of the League of Nations.

I am directed by the Governor in Council to forward a copy of Government Resolution No. 9215 dated 13th October 1923 on the subject mentioned above and to request that Government may be favoured with the views of your Chamber on the subject.

Trade and Commerce.

Draft Convention on Arbitration Clauses prepared by the Economic Committee of the League of Nations.

Government of Bombay, Revenue Department, Resolution No. 9215. dated 13th October 1923.

Letter from the Government of India, Department of Commerce, No. 4659 dated 11th September 1923:—

"I am directed to forward copy of a draft Convention on Arbitration Clauses prepared by the Economic Committee of the League of Nations, which, it is proposed, shall be open for signature by all States desirous of adhering thereto at the meeting of the Assembly in September next.

"2. In pursuance of its study of measures calculated to facilitate international trade, the Economic Committee of the League examined

the question of the wider recognition of arbitration clauses in commercial contracts between nationals of different countries. The Genoa Conference endorsed this action by passing a Resolution to the effect that 'it is desirable that the enquiries now being made by the League of Nations, as to the best means of safeguarding the validity of voluntary agreements to refer to arbitration disputes arising out of contracts should be continued'. This Protocol is the outcome of the labours of the Sub-Committee specially appointed to consider this question. The use of clauses providing for arbitration has generally been found of great practical value in avoiding litigation and promoting commercial honesty, and the commercial world attaches, as a rule, great importance to its general recognition. The Government of India therefore, propose to instruct their representative to agree to this Protocal being open for signature by States Members of the League, and are inclined to think that it would be desirable for India to adhere thereto. Before, however, instructing their Delegate to sign the Protocol, they desire that commercial opinion and the High Courts should be consulted on the advisability or otherwise of doing so.

"3. The object of the Protocol is to provide for the recognition of arbitration clauses voluntarily inserted in commercial contracts between nationals of different countries. Article 4 requires that the tribunals of the Contracting Parties should stay any action regarding such contracts, and refer the parties to the decision of the arbitrators. By Article 3 each Contracting Party undertakes to enforce arbitral awards made in its own territory. No provision, however, is made for the reciprocal enforcement of awards in different countries. It was considered by the Sub-Committee that at present there is no concensus as to the reciprocal enforcement of the judgments of the Courts of one country in those of another country, and that the difficulties would be even greater in regard to the awards of commercial arbitrators. It is recognised that this is a defect in the proposed Convention; but it is believed that in the vast majority of cases such awards are in fact obeyed without any intervention of executive compulsion.

"4. The Government of India are of opinion that the application of the Protocol, as far as India is concerned, should be restricted

to contracts relating to the sale of goods in the export and import trade of India and contracts relating to freight, insurance, commission, etc., associated with such trade. They further consider that the extent to which the law in British India falls short of the requirements of the Protocol is that:—

(i) an application for the appointment of an arbitrator and an application to file an award can only be made to a Court which would have had jurisdiction to try a suit covering the issues covered by the agreement or the award—(c.f. section 2 of the Indian Arbitration Act IX of 1899 and paragraphs 17 and 20 of the second schedule to the Code of Civil Procedure); and

(ii) a Court is not bound, but only has discretion to stay a suit on the plea that there is in force a valid agreement to refer the subject-matter of the suit to arbitration (c.f. section 19 of the Arbitration Act, 1899, and paragraph 18 of the second schedule to the Code of Civil Procedure).

"5. The Government of India incline to the view that there is no objection to the law in British India being amended with a view to its being brought into harmony with the provisions of the Protocol, but, as the matter is one which closely affects the mercantile community, they would be glad if His Excellency the Governor in Council will favour them with his views after consulting the mercantile community and such other local bodies or individuals as he may deem desirable.

"6. I am also to ask that the opinion of the Honourable the Judges of the High Court may be obtained and forwarded with your reply."

Resolution.—Copies of the letter from the Government of India and of its accompaniment should be forwarded to the Commissioner in Sind, the Commissioner of Customs, Salt and Excise, the Collector of Customs, Bombay, the Chief Collector of Customs in Sind and the Director of Industries, and they should be requested to furnish Government with their views on the subject after consulting such

local bodies or individuals as they deem desirable. The Chamber of Commerce, Bombay, the Chamber of Commerce, Karachi, the Indian Merchants' Chamber, the Millowners' Associations, Bombay and Ahmedabad, the Bombay Native Piece-Goods Merchants' Association, the Bombay Presidency Trades' Association, the East India Cotton Association, the Grain Merchants' Association, the Marwari Chamber of Commerce, the Mukadams' Association and the Bombay Fire Insurance Association should also be requested to favour Government with their views on the subject.

2. The Registrar of His Majesty's High Court, Appellate Side, should be requested to favour Government with the opinion of the Honourable the chief Justice and Judges of the High Court on the point raised in paragraph 5 of the letter.

Accompaniment to Government Resolution, Revenue Department, No. 9215 dated the 13th October 1923.

League of Nations.

Geneva, May 24th, 1923.

DRAFT CONVENTION ON ARBITRATION CLAUSES.

The undersigned, being duly authorised, declare that they accept, on behalf of the countries which they represent, the following provisions:—

1. The validity of an agreement to submit an existing difference to arbitration, or of an agreement in respect of future differences relating to commercial matters or to any other matter capable of settlement by arbitration, by which the parties agree to submit to arbitration all or any differences which may arise in connection with a contract, is recognised as between persons subject to the jurisdiction of different Contracting Parties, even if the arbitration is to take place in a country to whose jarisdiction none of the parties is subject.

Each Contracting Party reserves the right to limit the obligation mentioned above to contracts which are recognised as commercial by its own legislation.

Any Contracting Party which avails itself of this right will notify the Secretary-General of the League of Nations, in order that the other Contracting Parties may be so informed

2. The arbitral procedure will be governed by the provisions of the contract and by the law of the country in whose territory the arbitration takes place. The Contracting Parties agree to facilitate all steps in the procedure which require to be taken in their own territories, in accordance with the provisions of their law governing arbitral procedure applicable to existing differences.

3. Each Contracting Party undertakes that arbitral awards made in its own territory under the preceding articles shall be enforced by its authorities in accordance with the provisions of its national laws.

4. Tribunals of the Contracting Parties which, on being seized of a dispute regarding a contract between persons to whom Article 1 applies, recognise the existence in the contract of an arbitration agreement, whether referring to present or future differences, which is valid and capable of being put into force, shall, on the application of any of the parties, refer such parties to the decision of the arbitrators.

5. The present Protocol, which shall remain open for signature by all Members of the League of Nations and by States willing to accede to it, shall be ratified. The ratifications shall be deposited as soon as possible with the Secretariat of the League of Nations; the latter shall take the necessary steps to notify such ratifications to all the Signatory Parties.

6. The Protocol will come into force as soon as two ratifications have been deposited with the Secretariat of the League of Nations. Thereafter it will take effect, in the case of each Contracting Party, on the date of the deposit of its ratification.

7. The present Protocol may be denounced by any Contracting Party on giving one year's notice. Denunciation shall be effected by a notification in writing addressed to the Secretary-General of the League, who will immediately transmit copies of such notification to all the other Parties and inform them of the date on which it was received. The denunciation shall take effect one year after the date on which it was notified to the Secretary General, and shall operate only in respect of the notifying Party.

8. The Contracting States may declare that their acceptance of the present Protocol does not include any or all of the colonies, overseas possessions or protectorates under their sovereignty or authority, and they may subsequently adhere separately on behalf of any colony, overseas possession or protectorate so excluded in their declaration. They may also denounce the Protocol separately, in accordance with its provisions, in respect of any colony, overseas possession or protectorate under their sovereignty or authority.

A certified copy of the present Protocol will be transmitted by the Secretary-General to all the Contracting Parties.

Done at Geneva on the.....in a single copy, of which the French and English texts are both authentic, and which will be kept in the archives of the Secretariat of the League.

No. T. 98 dated 21st January 1924.

From Chamber to the Deputy Secretary to the Government of Bombay, Revenue Department, Bombay.

With reference to your letter No. 9215-G. dated 6th November 1923 forwarding a copy of Government Resolution No. 9215 dated the 13th October 1923 on the subject of Draft Convention on Arbitration Clauses prepared by the Economic Committee of the League of Nations, I am directed by my Committee to state that any proposal which aims at the avoidance of litigation on commercial disputes will receive strong support of this Chamber. As regards the parti-

-oular proposal contained in the letter from the Government of India, Department of Commerce, No. 4659 dated 11th September 1923 enclosed with your letter under reply, however, my Committee doubt if any arbitration clause in respect of which no provisions could be made for reciprocal enforcement of awards in different countries would in practice be of any use. They are however of opinion that India should adhere to the protocol with the qualifications stated in the letter of the Government of India. They also favour the amendment of law in British India to bring it into line with the provisions of the protocol in so far as is indicated in the letter of the Government of India.

APPENDIX 89.

KENYA IMMIGRATION RULES.

No. T-83, dated 18th January 1924.

From Chamber to the Government of India, Department of Education, Health and Lands.

The attention of the Committee of this Chamber has been drawn to the Draft Ordinance "to consolidate and regulate immigration and unemployment" issued by the Colony and Protectorate of Kenya. When the Kenya decision was announced my Committee communicated to His Excellency the Viceroy their unanimous opinion that decision was most unexpected and unjust in face of the declaration of equal status within the Empire at the Premiers Conference, 1921. It was argued by some at the time of the announcement that efforts would be made to safeguard atleast this fundamental right of Indians. The draft recently published destroys however all such hopes and justifies the pessimism entertained by my Committee among others that with regard to Immigration, rights of Indians would be thrown overboard as they had been with regard to the Kenya question in general. That this is not an over-

statement of the case will be seen from statements made even by Dr. Sir Tej Bahadur Sapru who was the trusted representative of the Government of India at the Imperial Conference. Speaking at the last Liberal Conference held in Poona he said "Meanwhile since I arrived in India I have learned that the Kenya Legislature has introduced an Immigration Ordinance which is extremely drastic in its character and which if allowed to become law will practically stop Indian emigration to Kenya." The object of the Ordinance is thus nothing less than to follow up the unjust and unfair decisions of the White Paper by stopping the immigration of Indians altogether and thus to realise the ideal of white settlers of hounding out the Indians altogether from Kenya Colony. My Committee do not enter into the details of the Ordinance as the whole of it, both in letter and spirit, is entirely opposed to the self-respect of Indians, meant to throttle rights they have been enjoying upto this time and meant to make of Kenya a close preserve for white settlers.

My Committee beg to hope that the Government of India will be pleased to take immediately necessary steps to get this iniquitous Ordinance rescinded.

No. 91 dated the 30th January 1924.

From the Department of Education Health and Lands, Government of India, to Chamber.

Subject :—Draft Bill relating to immigration and employment in Kenya.

I am directed to acknowledge the receipt of your letter No. T-83, dated the 18th January 1924, and to state that the Government of India are in communication with the Secretary of State for India on the subject.

APPENDIX 90.

DEVELOPMENT OF RADIO BROAD-CASTING IN INDIA.

No. 1084-G/24, dated 18th July, 1924.

From the Government of Bombay, Revenue Department, to Chamber.

Subject:—Development of radio broadcasting in India.

I am directed by the Governor in Council to forward a copy of the Resolution of the Government of Bombay (with accompaniments) No. 1084-24 dated 18th July, 1924, on the subject noted above, and to request that Government may be favoured with the opinion of your Chamber not later than the 20th August, 1924.

Wireless.

Development of Radio Broad-Casting in India.

Government of Bombay, Revenue Department, Resolution No. 1084/24, dated 18th July, 1924.

Letter from the Government of India, Department of Industries and Labour (Posts and Telegraphs Branch), No. 153-P. T. dated 19th May, 1924.

Letter to the Government of India, Department of Industries and Labour (Posts and Telegraphs Branch), No. 1084-G/24 dated 28th May, 1924.

Letter to the Government of India, Department of Industries and Labour (Posts and Telegraphs Branch), No. 1084-G/24 dated 21st June, 1924.

Letter from the Government of India, Department of Industries and Labour (Posts and Telegraphs Branch), No. 153-P. T. dated 3rd July, 1924.

Letter from the Government of India, Department of Industries and Labour (Posts and Telegraphs Branch), No. 153-P. T. dated 9th July, 1924.

Resolution.—Copies of the letter from the Government of India, No. 153-P. T. dated 19th May, 1924, together with appendices, should be forwarded to the Commissioner in Sind, the Commissioners of Divisions, the Deputy Commissioner, Upper Sind Frontier, all Collectors, the Director of Agriculture, the Director of Information, the Political Resident, Aden, the Agent to the Governor, Kathiawar, the Resident, Kolhapur, and Political Agent, Southern Maratha Country States, the Political Agent, Palanpur, The Political Agents, Mahi Kantha, the Political Agent, Rewa Kantha, the Inspector General of Police, and the Commissioner of Police, Bombay, for favour of remarks on the questions raised in the letter. The Collectors should forward their remarks through the Commissioners, who are requested to prepare a statement containing the Collectors' remarks on each question and forward it to Government with their own remarks.

2. Extract paragraphs 1 to 4 of the letter, together with the appendices, should be forwarded to the Chambers of Commerce, Bombay and Karachi, the Indian Merchants' Chamber, Bombay, the Bombay Presidency Trades' Association, Limited, the Mill-owners' Association, Bombay, the Mill-owners' Association, Ahmedabad, the Associated Exchange Banks, Bombay, and the Bombay Radio Club for favour of opinion on the questions raised in those paragraphs.

3. The officers and the public bodies are requested to send in their remarks and opinions *not later than the 20th August 1924.*

Letter from the Hon'ble Mr. A. H. Ley, C.I.E., I.C.S., Secretary to the Government of India, Department of Industries and Labour, to all Local Governments and Administrations, No. 153-P.T., dated 19th May 1924.

I am directed to address you on the subject of the development of Radio Broadcasting in India. Broadcasting is at present in its infancy in this country. Broadcasting licenses have so far only been granted to two Radio Clubs which broadcast for the benefit of their members in Calcutta and Bombay; and to one commercial firm whose license is for demonstration purposes only. There are also a considerable number of licenses granted for receiving purposes only, all over India. It may be expected, however, that the science and practice of broadcasting will rapidly extend, and it appears to the Government of India to be necessary to define the principles upon which it should be allowed, and envisage the lines on which it can best develop. Broadcasting is a development of wireless science which, as has been recognized in all countries, may be of great educative value, and it is, therefore, a development which Local Governments will no doubt agree should be welcomed in this country. It is obviously necessary, however, that it should be regulated, if only for the reason that it is essential, in order to prevent interference with wireless stations and confusion among different broadcasting stations themselves, to regulate the wave-lengths to be used in specified areas. Failure to do so led to confusion in other countries, when the invention first came into use, and it was quickly found necessary to adopt stringent regulations and to lay down a consistent policy. The policy which has been adopted in England with considerable success is based on the grant of a monopoly to a single company which provides all the broadcasting stations in the United Kingdom from which programmes are broadcasted daily. An important clause in the license issued to the British Broadcasting Company requires that the standard of programme shall be to the satisfaction of the Postmaster General. It has further been found necessary in the United Kingdom, in order to enable broadcasting to be started as a commercial proposition, to protect British manu-

facturers of receiving sets by confining licenses for such sets and their component parts to those manufactured in the United Kingdom only for a period of two years.

2. The present legal position is that under Section Four of the Indian Telegraph Act, the establishment, maintenance, and working of wireless telegraphs can only be permitted under license. It might be possible perhaps for Government themselves through the agency of the Department of Posts and Telegraphs to retain the monopoly of providing broadcasting services in India. But Local Governments will no doubt agree that any such solution is undesirable and that it is clearly best that the development of broadcasting services in this country should be entrusted to private enterprise, under suitable regulation and control. In determining how such regulation and control should be effected, it must be borne in mind that any scheme must be based on a reasonable commercial return to any company which has the enterprise to provide a satisfactory broadcasting service. The costs of a broadcast transmitting station, and the expenses of maintaining good programmes are heavy. On the other hand, it is not difficult for any one with some mechanical knowledge to construct a broadcast receiving set himself at little cost, and of sufficient power to enable him to "listen in" to a broadcasting station. He is thus enabled to benefit from the enterprise of broadcasting company, to which he has himself contributed nothing. Receiving sets must be licensed, and the most satisfactory way of meeting the difficulty of the unauthorized use of such sets is by making the license fee sufficiently cheap, and licenses sufficiently easy to obtain. At the same time it seems apparent that the major portion of the income of a broadcasting company must be obtained from a share in the receipts from license fees for receiving sets.

3. The problem how to effect the necessary regulation and control presents some difficulties. The following are the provisional conclusions which the Government of India have reached, after informal discussions with certain representatives of newspapers, news-agencies, and manufacturing interests concerned. These con-

clusions are only put forward tentatively at present, and the Government of India would be glad to receive any observations or criticisms which Local Governments may desire to make.

(1) Licenses to broadcast should only be granted to persons approved by the Local Government of the Province in which the broadcasting station will be established and Broadcasting station should be licensed to serve certain areas, the extent of which can only be decided when the power and location of any proposed station is known. There should be only one licensee for each specified area.

Note.—The Government of India have considered an alternative proposal that only one company should be licensed for the whole of India, with a monopoly of establishing stations in any area desired. Such a solution would have certain advantages from the point of view of simplicity, and would follow the practice in the United Kingdom. The Government of India, however, are provisionally of opinion that in such a vast country as India, and in the existing state of development of the science and practice of broadcasting in this country, the grant of such an extensive monopoly would be unnecessary and unduly restrictive.

(2) So far as any control is necessary on the part of the Local Government, this would be exercised by the Government of the Province in which the broadcasting station is located, irrespective of the extent of the area it serves.

(3) The licensee for any area must serve the area to the reasonable satisfaction of the Director-General, Post and Telegraph Department.

(4) Government should retain full rights to inspect a broadcasting station at any time and to take over and work the station or assume direct control of the transmission of traffic in case of emergency; to issue any special or general instruction as to the matter which may or may not be broadcasted, or as to the persons who may or may not be

permitted to broadcast through the medium of the station or as to the times at which broadcasting may be carried on; and finally, they must retain the right to terminate the license at any time in the event of the improper use of a broadcasting station.

(5) When the conditions, under which broadcasting will be permitted, have been settled, they will be published, and a date fixed after which the Director-General will consider applications for licenses.

(6) If more than one application is forthcoming in any locality, the applicants should be required to form a local Broadcasting Company, to which the license will be granted. But, if it is found that the applicants have failed to form such a company within three months, the Director-General shall select one applicant, to which the license should be granted.

(7) If suitable and desirable applicants come forward within one year of the grant of the initial license, the licensee should be required (*a*) if an individual, to form a local Broadcasting Company with the applicants, or (*b*) if a Company, to admit the applicants to a share in the Company.

(8) In the event of local Broadcasting Companies being formed, subscriptions should be invited from the public with priority to *bona fide* manufacturers of, or dealers in, wireless apparatus for broadcasting.

(9) Broadcasting Companies will be free to manufacture and sell apparatus.

(10) The importation into British India of complete broadcast receivers and certain specified and clearly recognisable component parts should be restricted to licensees of Government for broadcasting and to shareholders in broadcasting companies.

(11) The fee for a license for a receiving set should be Rs. 10 per annum, and licenses for these sets should be issued at Post Offices on demand without any undue formality, and irrespective of the age, sex, or nationality of the applicant. Broadcasting licensees should receive 80 per cent of all fees collected in respect of receiving licenses granted in the area served by the licensee.

(12) Initial broadcasting licenses shall be valid for 5 years.

(13) The Articles of Association of broadcasting companies, and any agreement between such companies and their shareholders, should be uniform for all companies in British India, and should be subject to approval by Government; more particularly the royalties, if any, to be paid to company by its shareholders, who are manufacturers of or dealers in broadcasting apparatus, should be approved by Government.

(14) Programmes other than news, may be broadcasted at any time.

(15) Original news should only be permitted, if supplied by specific news-agencies approved by Government and cited in the license.

Note.—The reason for this proposal is that it seems doubtful, whether it would be possible for any broadcasting company, whose income is solely based on a share of the license fees for receiving sets, to run a service as a commercial proposition. It seems right that any person who can import and use a receiving set should have some interest in the broadcasting company, and it may be necessary for the Articles of Association of a company to provide for a payment of royalty to the company by shareholders, whose business is the importation and sale of receiving sets. The provisions in (7) and (8) above which ensure that *bona fide* manufacturers or dealers in wireless apparatus for broadcasting should be entitled to a share in the company by the purchase of a single share—a provision which is based on the precedent of the United Kingdom—should be sufficient to prevent abuse.

(16) The times for broadcasting original news should be arranged between the supplying news-agencies, the newspapers in the area served by the licensee, and the licensee; such arrangements should be embodied in the license.

(17) The license should permit departure from the time contemplated under (16) in special cases, provided the concurrence of the supplying news-agencies and the newspapers in the area served by the licensee is first obtained.

(18) The broadcasting of extracts from newspapers and periodicals, when such extracts are in the nature of news, or comments on news, should be subject to the concurrence of, or by arrangement with, the supplying news-agencies in each case.

(19) The licensee should be permitted to provide a separate service for broadcasting commercial news to subscribers on payment at times other than those appointed for the ordinary programmes. This is termed "Toll Broadcasting" while the ordinary programmes are described as "Entertainment Broadcasting."

(20) The licensee should also be permitted to include market quotations in the ordinary programmes, if he so desires.

(21) The licensee should be permitted to receive payment for matter broadcasted, provided the standard programme as required by the Director General from time to time is maintained.

4. In dealing with the question of programmes, it will be necessary to lay down in some detail the kind of matter which it will be permissible to broadcast. The form, in which it is proposed that the programmes to be permitted shall be embodied in the license, is shown in the Appendix to this letter. It will be seen that the Government of India propose that the licensee shall be required to broadcast weather reports and forecasts, Government

notices, and communiques free of cost. It is also considered that Government should be permitted to use the station free of charge for broadcasting educational propaganda, or any other matter, for a period not exceeding 10 per cent. of any programme; or for a longer period in case of emergency, or by arrangement with the licensee. The Government of India consider it will also be necessary to lay down that British subjects should be employed in operating the station; that the station should be connected to the telephone system; that the licensee shall observe secrecy of official messages and private traffic, which may be received by means of the station, and that licensee shall be obliged to transmit Government messages on a special wave, if so required, at times other than those of the ordinary programmes. It is considered that this last requirement may possibly be of some value for police, district, and other official purposes of a non-confidential nature.

* * * * * *

APPENDIX.

Programmes.

1.—Entertainment Broadcasting.

Compulsory :—

Weather Reports and Forecastes. (Note (1).)

Government Communiques and Notices. (Note (2).)

Optional :—

Concerts and other Musical Items.

Theatrical Entertainments and Items.

Student's Programmes. (Note (3).)

Lectures, Reading or addresses, provided the subject is entirely non-political.

Children's Programmes.

News. (Note (4).)

Extracts from Newspapers and periodicals. (Note (5).)

Speeches, provided that Government has previously approved of the speech and/or the Speaker.

Advertisements. (Note (6).)

Any other matter subject to the general or special permission of Government.

II.—Toll Broadcasting.

Compulsory:—

Government Communiques and Notices. (Note (2).)

Optional:—

Market and Exchange Quotations and Reports.

News. (Note (4).)

Commercial and Financial information.

Advertisements. (Note (6).)

Notes.—(1) Will be supplied by Director-General of Observatories.

(2) If so required by Government.

(3) Strictly confined to educational matter of a non-political nature.

(4) Strictly confined to press messages supplied by specified News Agencies approved by Government.

(5) If such extracts are in the nature of News or comments on news they must be subject to previous arrangement with the News Agencies in each case. Licensees are not permitted to broadcast any extracts from newspapers on behalf of the newspapers concerned either gratuitously or on payment without the previous concurrence of the approved News Agencies.

(6) In order that the standard of programme may be maintained the amount of advertisement matter permitted shall not normally exceed 10 percent. of any programme as regards the time taken to broadcast.

No. T-1124, dated 11th September 1924.

From Chamber to the Government of Bombay, Revenue Department.

I am directed to send hereby views of my Committee with reference to your letter of the 18th July 1924, No. 1084-G/24, with reference to the question of developing Radio Broadcasting in India.

With reference to para 3 (1), my Committee are strongly against Government granting monopoly of broadcasting to one Company throughout India and emphasise the importance of giving the license to different companies for particular areas. Such companies should be registered in India and must have Rupee capital and a majority of Indian Directors.

My Committee do not approve of para 3 (7) as it is very objectionable that the first licensee should be forced to admit a particular partner even though he may or may not be agreeable.

My Committee are of opinion that there should be no restrictions on the imports of receivers and wireless accessories to India. While a license may be issued to dealers they should be at liberty to import receivers and accessories of Continental and American manufacture.

Para 3 (10) is also objectionable as it will lead to the manufacture and sale of apparatus manufactured only by the licensee and his associates whether these apparatus are reliable or not. Besides they might demand a monopoly price for their apparatus making broadcasting unpopular among the masses.

My Committee beg also to urge that before concessions are given Government must receive guarantee that Indians would be given facilities for training and employment and only British subjects but no Colonials of British Dominions would be employed in operating broadcasting stations.

The Committee appointed by the Government of India at the end of the last Simla session to control the functions of Companies seeking protection or concessions may also be asked to take into consideration the case of any broadcasting Companies which may be started.

If it is the desire of the Government that Indians should not be permitted to transmit political speeches through the Broadcasting stations the Government should also not take advantage of broadcasting political messages for propaganda purposes, thereby disallowing Broadcasting stations as the instrument for political propaganda in favour of the Government. There should be no restrictions, in the opinion of my Committee, on the matters to be broadcasted unless it affects matters relating to the Army and the Navy.

APPENDIX 91.

HOLIDAY TO ENABLE BANKS IN BOMBAY TO MAKE UP THEIR HALF-YEARLY ACCOUNTS.

No. 1345-F. dated 24th April 1924.

From the Government of Bombay, Finance Department to Chamber.

Subject.—Holidays: Half-yearly Bank accounts.

I am directed by the Governor in Council to state that in 1922 and 1923 on representations from an important section of the business community in Bombay, Government declared 1st July and 2nd July respectively public holidays under the Negotiable Instruments Act in order to enable banks to make up their half-yearly accounts. It is understood that feeling is not unanimous on the question and that the number of banks making up their half-yearly accounts on these days was extremely small. Before deciding therefore whether

or not 1st of July of this year should be declared a public holiday, I am to enquire whether your Chamber wish to express any opinion in the matter. The favour of an early reply is requested.

No. T-460, dated 28th April 1924.

From Chamber to the Government of Bombay, Finance Department, Bombay.

With reference to your letter No. 1345-F. dated the 24th instant, I am directed by my Committee to state that they are not in favour of declaring the 1st of July as a public holiday under the Negotiable Instruments Act in order to enable Banks in Bombay to make up their half-yearly accounts.

No. 1345-F., dated 19th May 1924.

From the Government of Bombay, Finance Department to Chamber.

Subject.—Holidays:

Half-yearly Bank Accounts.

With reference to the correspondence ending with your letter No. T.-460, dated 28th April 1924, I am directed to state that in 1922 and 1923 a holiday was declared to enable Banks to make up their half yearly accounts, as an urgent matter on both occasions without full consideration. From the inquiry now made by Government it is clear that about half the banks do not require a holiday for this purpose. In view of the lack of unanimity in the demand for this holiday and the admitted excess of holidays, Government have decided not to declare a holiday for closing the half-yearly Bank Accounts this year and in future.

APPENDIX 92.

REVISION OF CUSTOMS OFFICERS' OVERTIME AND HOLIDAY FEES.

R.S.R. No. 1731, dated 14th April 1924.

From the Collector of Customs, Bombay, to Chamber.

Subject.—Revision of Customs Officers' Overtime and Holiday Fees.

The Government of India have for some time had under consideration the desirability of revising the rates of overtime fees charged to the public for the services of Preventive Officers at the principal ports. I have the honour to announce the decisions which have now been reached. Detailed rules giving effect to these decisions will be issued by the Central Board of Revenue to have effect from the 1st May 1924.

2. The rates upon which the fees in question are calculated have in many cases remained unchanged for a very long period of years, during which time the cost of living in the ports concerned, and consequently the regular salaries of the officers, have increased to a remarkable degree. The result of this is that the fees which the officers can now earn for such work are in most cases disproportionately small, having regard to the wages which these officers receive for their regular work. The Government of India have authorised the Central Board of Revenue to revise the rates on a uniform basis and on a scale commensurate with the present pay of the men.

3. The principal heads under which these fees fall are

(1) Work on ordinary holidays;

(2) Work on Sundays and close holidays; and

(3) Work at night.

Holidays and Sundays will be reckoned as extending from 6 a.m. of the day in question to 6 a.m. of the following day.

4. *Ordinary holidays.*—An Officer working on ordinary holidays at present receives a fee of Rs. 2 per hour subject to a maximum of Rs. 5. This maximum fee is considered inadequate, and it has been decided to alter the rate to Re. 1 per hour by day with a minimum of Rs. 5; while for night work the ordinary night fees will be levied (see para 6 below).

5. *Sundays and Close Holidays.*—The fees payable to officers on Sundays are additional to the Special Sunday penalty fee. The special Sunday penalty fees are charged as a deterrent to Sunday work and Government have decided, while adhering to the necessity for such a deterrent, to increase the fees payable to Preventive Officers who are compelled to forego their weekly day of rest rather than to increase the special penalty fees. It has been decided to fix the Officers' fee for such work at Rs. 2 per hour (by day or night) with a minimum of Rs. 10. At present in Bombay a fixed fee of Rs. 10 is charged for any portion of the day, and Rs. 10 for any portion of the night.

The same rates will be payable to officers on close holidays.

6. *Night Work.*—At present in Bombay an officer receives Rs. 5 from 6 p.m. to midnight or portion of this period, and Rs. 5 from midnight to 6 a.m. or portion of this period. In future the rate for ordinary days and ordinary holidays will be Rs. 1-8-0 per hour for the first half night, subject to a minimum of Rs. 7-8-0, and fixed fee of Rs. 9 for the second half night. Night Work means work between 6 p.m. and 6 a.m. Between 6 a.m. and 6 p.m. on ordinary days free service will continue to be available to the public in accordance with present arrangements.

The above decisions cover the bulk of the fees in question and details regarding changes in the fees fixed for services of less general occurrence will be decided on similar lines.

8. The fees charged to merchants and credited to Government for the services of Preventive Officers during the working day, as, for example, for work done in private bonded warehouses, will also be revised so as to accord more closely with the cost to Government of employing these officers. Such fees as are charged for the services of Inspectors and of preventive peons may also be revised if found necessary.

No. T-505, dated 7th May 1924.

From Chamber to the Collector of Customs, Bombay.

With reference to your letter R.S.R. No. 1731 dated the 14th April 1924, I am directed by my Committee to request you to be good enough to supply them the following information:—

(1) The average number of cases dealt with on holidays and at night.

(2) Whether overtime and holiday fees are charged to each individual merchant separately or to all merchants collectively when the officers have to work for more than one merchant on the same day.

(3) My Committee fear that the making of overtime and holidays fees more attractive may result in intentional delays and they would like to be assured that their fear is not well-founded.

R.S.R. No. 1731, dated 15th May 1924.

From the Collector of Customs, Bombay, to Chamber.

With reference to your letter No. T-505 of the 7th instant, I have the honour to inform you that the average number of vessels working at night at both the docks is 13 and on Sundays 2. When agents pay for work on board, all merchants and consignees

having cargo on board are not charged a separate fee, but only one fee is charged and only one officer is deputed to supervise. With regard to item 3, I may point out that it is not ordinarily in the power of the Customs officer to determine how long a job will last. His duties are usually to stand by and supervise on behalf of Government, and it is for the merchant to arrange to expedite the work in order to save unnecessary fees.

The position in these respects is just the same as it was before the introduction of the new scale of fees. The new fees are only meant to provide more adequate emoluments for the officers.

No. T-594, dated 20th May 1924.

From Chamber to the Collector of Customs, Bombay.

With reference to your letter RSR. No. 1731 of 1924 dated the 14th April 1924, I am directed by my Committee to say that they have no objection to the proposed revision of Customs Officers Overtime and Holiday fees.

APPENDIX 93.

RELEASE OF MAHATMA GANDHI.

Telegram from Chamber to the Private Secretary to His Excellency the Viceroy and H. E. the Governor of Bombay, dated 19th January 1924.

"Committee Indian Merchants' Chamber respectfully urge that the continued imprisonment of Mahatma Gandhi for any time longer is most undesirable in the best interests of this country and an offence to Indian sentiment and self-

respect. Committee would therefore request Government to allay public feeling on the subject by an announcement of the release of Mahatma as soon as he is out of the hands of the doctors.

Devidas Madhowji Thakersey, President, Inchambu."

No. 478-GP. dated 25th January 1925.

From Assistant Private Secretary to H. E. the Viceroy to Chamber.

I am desired to acknowledge the receipt of your letter dated the 19th January 1924.

Dated 20th January 1924.

From Private Secretary to H. E. the Governor of Bombay to Chamber.

I am to acknowledge receipt of your telegram dated the 19th January 1924.

APPENDIX 94.

COMMITTEE'S REQUEST TO MAHATMA GANDHI TO GIVE UP HIS PROPOSED FAST FOR 21 DAYS.

Telegram from Chamber to Mahatma Gandhi, Delhi dated 24th September 1924.

"In view of the fact that you are the greatest and most influential factor in the achievement of Hindu-Moslem unity for the sake of which you are offering this sacrifice, perhaps of life, and as your life is a most valuable national asset the Committee Indian Merchants' Chamber earnestly request you give up proposed fast.

Jayasukhlal Mehta, Secretary, Indian Merchants' Chamber."

APPENDIX 95.

EMPLOYERS' DELEGATE AT THE SIXTH INTERNATIONAL LABOUR CONFERENCE.

Telegram from Chamber to the Government of India, Department of Industries and Labour, dated 21st February 1924.

Committee Indian Merchants' Chamber beg to suggest name of Honourable Mr. Phiroze Sethna for being nominated representative of Employers at forthcoming International Labour Conference. They trust Government will be pleased to accept their suggestion.

APPENDIX 96.

NOTICE REGARDING DELIVERY OF TELEGRAMS.

No. T-155, dated 6th February 1924.

From Chamber to the Superintendent in Charge, Central Telegraph Office, Bombay.

The attention of the Committee of this Chamber is drawn to a notice issued by you putting into force the single delivery system. Such a procedure will cause a great hardship and inconvenience to the commercial community and my Committee hope that this new procedure will be withdrawn and the present system continued.

Notice.

Holders of abbreviated addresses should, in their own interests, register standing delivery instructions, *i.e.*, instructions as to where telegrams intended for them are to be delivered, before, during and after business hours. The charge for the registration of each separate special delivery instruction is Rs. 5 yearly and Rs. 2-8 half yearly.

If no such instructions are registered a single attempt will be made to deliver the telegram at the address given. Should there be no one on the premises who is willing to accept the telegram on behalf of the firm or individual, the peon will return it to the Telegraph Office. A printed notice will be despatched by the first post, stating that a telegram has been received to that address. On receipt of this notice the addressee may call at the telegraph office and take delivery of the telegram. If he fails to call within 24 hours, a report of non-delivery will be sent to the office of origin.

This regulation will have effect from 1st February 1924.

No. D-3, dated 8th February 1924.

From the Superintendent in Charge, Central Telegraph Office, Bombay, to Chamber.

In reply to your letter No. T-155, dated the 6th inst., I have the honour to inform you that the notification is not being acted up to, pending final order from the Director General of Posts and Telegraphs to whom the subject has been referred for consideration.

APPENDIX 97.

RESPONSIBILITY FOR GOODS LANDED IN THE DOCKS AT NIGHT.

No. 1994, dated 13th/15th March 1924.

From the Bombay Port Trust to Chamber.

Responsibility for goods landed in the Docks at night.

I beg to inform you that for some time past the question of acceptance of responsibility by the Port Trust for goods landed in the Docks at night has been under discussion with the Bombay Chamber of Commerce. The enclosed copy of letter addressed to the Secretary of that body fully explains the Trustees' proposals in the matter and I am to ask that you will kindly place the same before your Chamber for consideration and intimate their views as soon as convenient.

Copy.

No. 1993, dated 13th March 1924.

From the Bombay Port Trust to the Chamber of Commerce, Bombay.

Proposed amendment of Docks By-law No. 83.

Responsibility for goods landed at night.

With reference to correspondence originating with your letter No. 1035/167, dated 26th June 1922 and the subsequent discussion on the 8th February 1923 between representatives of the Port Trust and your Chamber, I beg to inform you that the Trustees, after full

consideration, are prepared to accept responsibility for cargo discharged in the Docks at night, under certain conditions outlined below.

2. As indicated in the final paragraph of this office letter No. 1135, dated 15th November 1922 night tallying at the Docks can only be carried out efficiently with the aid of improved lighting and increased staff, the cost of which must be recovered by a proportionate enhancement in the charges for night work. The Trustees must also, in order to safeguard themselves against unduly numerous claims, impose certain conditions regarding the nature of the cargo and the limit of time for which they accept responsibility.

The enclosed copy of Trustees' Resolution No. 159 dated 4th March 1924 gives in the preamble full particulars of the reasons on which the Trustees have formulated those conditions which are briefly as follows :—

I. Additional fees for night work (Section V A of the Docks Scale of Rates.)

Staff.—Additional staff consisting of two Assistant Managers, 44 clerks and 6 watchmen at an average additional cost amounting to Rs. 88,328 per annum will be required.

Lighting.—The scheme (which has been tested by actual experiment) for improving the lighting on the quays and over the doorways and galleries of sheds in Alexandra Dock and also in the open spaces surrounding the sheds, is estimated to cost Rs. 21,150 and the additional maintenance and current consumption will cost approximately Rs. 16,000 per annum.

Consequent enhancement of night work fees.—To cover this additional expenditure the fees for night work recoverable from ships will have to be enhanced as under :—

Present charge	Proposed charge.
Full night Rs. 50 plus 25 surtax	Rs. 70 plus Rs. 35 surtax.
Half night Rs. 25 plus 12½ surtax	Rs. 35 plus Rs. 17½ surtax.

II. Safeguards against undue claims.

(*a*) *Time limit of liability.*—The Trustees are not prepared to accept liability for goods landed at night unless some time limitation is specified as regards their responsibility for goods landed in the Docks by day or night. It is proposed that the period of their responsibility should be limited to 7 clear days from the actual date of landing, which should provide ample time for merchants to remove their goods and which compares favourably with the Calcutta time limit of 3 days. To allow for cases of late arrival of documents, (e.g., continental goods shipped direct to Bombay but through London), when the goods are sometimes received a week before the documents arrive from London and the consignee has no advice of arrival of the goods until the documents reach him, the period of Port Trust liability will in such cases be extended by one week provided that the onus of proving late arrival of documents will rest on the importer, who should always give formal notice to the Docks Manager on late receipt of documents.

(*b*) *Cargo restrictions.*—The discharge by night of the following classes of cargo will not be undertaken except at owners risk :—

Cinematograph Films. Clocks and Watches. Currency Notes. Electroplated Ware. Gold and Silver Ware. Gold and Silver Leaf. Gold and Silver cloth, Lace, Thread, Braid, Kincob real or imitation. Heavy Lifts of over 35 cwts. Ivory (Elephant Tusks or Moye's Teeth).

Silk Piecegoods. Stamps and Stamped Papers. Statues (Bronze or Marble.) Unprotected Castings. Velvet and Velveteen. Wines and Spirits.

3. It is requested that these proposals may be placed before your Chamber. If approved, steps will be taken to obtain sanction to the necessary amendments of the Port Trust Act, By-laws and Scale of Rates. These proposals are also being submitted to the Indian Merchants' Chamber for opinion.

No. T-337, 31st March 1924.

From Chamber to the Bombay Port Trust.

With reference to your letter dated the 13th instant, No. 1994, I am directed by my Committee to inform you that they approve of the proposals contained in your letter to the Chamber of Commerce, Bombay, No. 1993 of the same date.

APPENDIX 98.

INFORMAL CONFERENCE TO DISCUSS THE QUESTION OF EFFECTING IMPROVEMENTS IN THE SECONDARY COMMERCIAL EDUCATION IN THE BOMBAY PRESIDENCY.

No. 813, dated 19th September 1924.

From the Principal, Sydenham College of Commerce and Economics, to Chamber.

Government in their Resolution, No. 1564 (E. D.) of the 16th September 1924, have been pleased to approve of the suggestion of

the Director of Public Instruction, Poona, to hold a small informal Conference in Bombay with the representatives of the leading commercial bodies in Bombay to discuss the question of effecting improvements in Secondary Commercial Education in this Presidency. Accordingly the Director of Public Instruction desires to convene a meeting of the following gentlemen :—

(1) The Director of Public Instruction (Chairman).

(2) The Principal, the Sydenham College of Commerce and Economics, Bombay.

(3) One representative of the Bombay Millowners' Association.

(4) One representative of the Bombay Chamber of Commerce.

(5) One representative of the Indian Merchants' Chamber and Bureau.

(6) Mr. H. R. Hamley, Principal, Secondary Training College, Bombay.

He further proposes that the informal Conference should be held at this College either on Friday, the 26th instant, at 4 p.m. or on Saturday, 27th instant, at 2 p.m. I therefore request you on his behalf, to place the above proposal before your Committee for electing a representative of your Chamber for the informal Conference, and to let me know which of the above two dates will suit your representative for attending the same.

No. T-1171, dated 20th September, 1924.

From Chamber to the Principal, Sydenham College of Commerce.

I am directed to acknowledge receipt of your letter of the 19th instant, No. 813 and to inform you that Prof. K. T. Shah will

represent this Chamber at the informal Conference to be held in your College to discuss the question of effecting improvements in secondary commercial education in this Presidency. Saturday will not at all suit Prof. Shah but he will very likely find Friday, the 26th instant at 4 p.m. suitable for attending the Conference.

APPENDIX 99.

ALLEGED MISAPPROPRIATION OF CLIENTS' DEPOSIT MONEY BY SHARE BROKERS.

No. T-1122, dated 11th September 1924.

From Chamber to the Native Share and Stock Brokers' Association, Bombay.

I am directed by the Committee of this Chamber to send to you herewith a copy of a letter they received from one of their members, Mr. Kaikobad C. Dinshaw, and to enquire if your Association have taken any steps or propose to take any steps in the matter referred to in the said letter.

Copy.

Dated 25th August 1924.

From Mr. Kaikobad C. Dinshaw to Chamber.

Referring to the recent failure of a big firm of certain Share Brokers, I understand that many buyers and sellers of Shares, Government Papers, etc., have lost large amounts of their money, which money the said Share Brokers had taken into advance to transact business on behalf of the sellers and buyers. I believe it is

a custom among the Share Brokers to have the money in advance from the buyers of Shares, Government Papers, etc., when a person desires to invest his money in some profitable business. I believe now it is a high time for our Chamber to come to some arrangement after consultation with the Committee of the Stock Exchange Brokers so as to deposit the money into a safe depository for such transactions and not to allow the Brokers to handle it as they desire till the transactions are finished.

In the same manner when clients want to sell their securities they have to hand over the securities along with transfer forms to their Brokers, who in the ordinary course pay the purchase money after the lapse of several days. Advantage of this circumstance has also been taken by the Brokers who have misappropriated the securities and their realization.

I shall therefore thank you to bring this letter before the Committee of our Chamber to do the needful.

Dated 18th September 1924.

From the Native Share and Stock Brokers' Association to Chamber.

With reference to your letter of the 11th instant giving cover to a copy of the letter of Mr. K. C. Dinshaw addressed to your Chamber, I am directed to state that at an Extraordinary General Meeting of our Members held on the 26th ultimo a Committee was appointed for making suggestions in the matter referred to in your letter under reply.

If however your Chamber proposes to make any suggestions in the matter the Committee will be pleased to give consideration thereto.

I am further directed to state that it is not the custom of my Association to pay the purchase money after the lapse of several days as alleged in his letter by Mr. K. C. Dinshaw.

No. T-1233, dated 6th October 1924.

From Chamber to the Native Share and Stock Brokers' Association, Bombay.

I am directed by my Committee to acknowledge receipt of your letter dated the 18th September 1924 and to request you to be good enough to let them know the result of the findings of the Committee of your Association, referred to in your letter under reply, when ready.

APPENDIX 100.

STAMPING OF BILLS.

Dated 23rd June 1924.

From the Mauritius Shippers' Association to Chamber.

Recently the National Bank of India Ltd., Bombay, issued circulars to some of the members of this Association asking them to have all their bills stamped at the Stamp Office before submitting same to the Bank for negotiation, thus putting a stop to the practice of adhesive bill stamps used up till now. A copy of the Bank's circular is attached herewith for your inspection.

In view of the difficulties and inconvenience attending this new procedure of embossing bills at the Stamp Office, a requisition was made to the National Bank by this Association requesting them to continue the usage of adhesive stamps on bills. But in their letter dated 17th instant the Bank stated that the matter was not in their hands and that they were unable to entertain our demand. Copies of our application and the Bank's reply are enclosed herewith.

As for embossing bills at the Stamp Office, the chief grievance is one of time. As a matter of fact one has to spend hours to have a bill stamped at this Office. In the case of Mauritius Shippers this delay is rather keenly felt; because, generally after the close of the Mauritius Mails very little time remains at their disposal to make necessary arrangements for negotiation of their bills etc., etc. It would be therefore very inconvenient for them to have their bills embossed at the Stamp Office which usually takes much time.

I have therefore to request you, on behalf of this Association, to put the matter before the Chamber for necessary action to move the authorities either to do away with the new method of stamping bills at the Stamp Office and continue the usage of adhesive stamps on bills, or to maintain an adequate number of operators at the Stamp Office and make such arrangements there that no bill presented for embossing stamp should be delayed more than a quarter of an hour. The Stamp Office accepts only blank bill forms for embossing; this should be modified and written and filled up bills may also be accepted for stamping at the Stamp Office.

I hope you will give this matter due consideration and early attention.

Circular of the National Bank of India.

It has been brought to our notice that all bills of exchange must be stamped at the Stamp Office before execution. We shall therefore feel obliged if you will see that all bills sent to us either for negotiation or collection are duly stamped with an embossed stamp or stamp duly impressed by the Stamp Office.

A list of stamp duties is enclosed herewith for your guidance.

No. T-778, dated 10th July 1924.

From Chamber to the Superintendent of Stamps, Bombay.

My Committee are informed by one of the member-Associations that the practice of using adhesive bill stamps has been recently stopped and that merchants are compelled to get all their bills embossed at the Stamp Office. My Committee believe that this new arrangement will result in a good deal of hardship and inconvenience to traders and merchants as my Committee are informed that one has to spend hours at the Stamp Office to have a bill embossed. They are therefore of opinion that the practice of using adhesive bill stamps, which was in vogue up till recently, should be allowed to continue. My Committee will be much obliged if they will be informed of the reason or reasons which may have actuated the Stamp Office to discontinue the above practice.

No. 2778, dated 11th July 1924.

From the Superintendent of Stamps, Bombay to Chamber.

With reference to your letter No. T-778, dated the 10th instant, I have the honour to state that no new arrangement, such as the one referred to in regard to the stamping of "Bills", has been introduced by this office. I shall, however, be glad to reply fully to your representation if you will kindly let me have full details of a concrete case in which the alleged change caused hardship and inconvenience, to your members.

2. I should be obliged if you will kindly let me have a copy of the "Bill" referred to, or a brief description of it, to enable me to find out if any of the existing rules has been infringed by this office.

Bombay, 31st July 1924.

Note by the Secretary of the Chamber re: Stamping of Bills.

In this connection, I saw the Assistant Superintendent of Stamps with the Secretary of the Mauritius Shippers' Association on 29th July 1924. The Assistant Superintendent very kindly went into the whole case and explained that there was no change made in the procedure by the Stamp Office. It was due to a misunderstanding only that the documents of members of the Mauritius Shippers' Association were allowed to be stamped with stamps which should properly be used in case of what are known as Foreign Bills. Such stamps are allowed to be sold by licensed Vendors and can be purchased from them, but the stamps which the members of the Mauritius Shippers Association as being exporters should use for their documents are Special Adhesive Stamps for Bills of Exchange. These can not be sold outside the Stamp Office. It was because of this that the Banks raised objections to their using foreign bill stamps. The Assistant Superintendent was kind enough to give an undertaking that members of the Mauritius Shippers' Association would have their documents stamped at once in order to enable them to catch the Mauritius Mail which leaves Bombay about once a month. The Secretary of the Mauritius Shippers' Association was satisfied with the explanation and the undertaking. The matter may now be, therefore, recorded by the Committee.

APPENDIX 101.

LETTING OF COMPARTMENTS AT THE RYAN GRAIN MARKET.

Dated 15th July 1924.

From the Grain Merchants' Association to Chamber.

I beg to enclose herewith copy of the correspondence passed between this Association and the Bombay Port Trust and request

your Chamber to move its representatives on the Port Trust Board to take up the matter and do the needful.

Copy.

Dated 7th June 1924.

From the Grain Merchants' Association to the Chairman and Trustees of the Port Trust.

I am directed by my Association to address you on the subject of the letting of the Ryan Grain Market Compartments at Dana Bandar.

As the Trustees are aware, the Ryan Grain Market was specially built to provide facilities to the wholesale Grain Merchants who distribute grain etc. to local grain dealers. Many years back when the compartments were vacant, the Grain Merchants were pursuaded to take up these compartments and they acceded to this request. Afterwards when the compartments were vacant preference was given to bona fide Grain Merchants and they were given compartments in order of priority of their applications and standing. Uptill now whenever a merchant applied for a compartment they were replied that their case would be considered when there will be vacancies and that there were prior claimants for the compartments. Yesterday my Association's attention was drawn to an advertisement in the Times of India inviting sealed tenders for the letting of the compartments likely to be vacant under the signature of the Manager, the Port Trust Land & Bandars. There are several applications for the compartments by respectable merchants of long standing lying with the Port Trust authorities for long time and my Committee do not understand why tenders are invited. The object of this Notice is apparently to secure higher rent. If that be the case, my Committee regret this policy in as much as it is likely to produce evil effects upon the local Grain Trade.

My Committee therefore request you to consider the above and withdraw the notice and not to let the compartments by inviting tenders but to let them as usual to those Grain Merchants who are in want of same for a long time, and to distribute the compartments at usual rent in order of the priority of their applications.

Copy.

No. 4290, dated 13th June 1924.

From the Bombay Port Trust to the Grain Merchants' Association, Bombay.

Subject :—Letting of Compartments at Ryan Grain Market.

With reference to your letter dated the 7th instant I am directed to say that the Trustees' object in calling for tenders for a 3 years lease of the available compartments in the Ryan Grain Market is to stop illegitimate profiteering on the part of the tenants and to establish proper control over the letting of compartments to bonafide applicants.

It is obvious that if fair rentals are paid to the Trustees the practice of premiums would be abolished and vacant compartments could then be allotted to bonafide applicants, who at present can get no further than having their applications registered for consideration. It is clearly in the interests of all genuine Grain Merchants to have the existing conditions remedied and I am to say that if your Association is prepared to co-operate with the Trustees' Land Manager, their advice as to the bonafides of tenderers will gladly be sought.

Copy.

Dated 16th June 1924.

From the Grain Merchants' Association to the Port Trust, Bombay.

Subject.—Letting of compartments at Ryan Grain Market.

I am directed by my Managing Committee to acknowledge receipt of your letter No. 4290 of the 13th instant. As stated in my letter of the 7th instant, my Committee are not in favour of the policy of the Trustees of letting the compartments by tenders as it is hardly in the interests of the Grain Merchants. But if my Managing Committee will be consulted on any point in connection with those applicants who have applied to the Trust for compartments in usual way, they will be glad to co-operate with the Land Manager of the Trustees and give him suitable advice.

Copy.

Dated 26th June 1924.

From the Bombay Port Trust to the Grain Merchants' Association.

Letting of Compartments at the Ryan Grain Market.

With reference to your letter dated 16th June 1924, I am directed to say that the Chairman will be pleased to discuss the matter with a small Deputation, consisting of a few members of your Managing Committee in his office at 12-30 p.m. on Friday the 27th instant.

Will you please confirm this appointment as soon as possible.

No. 5046, dated 10th July 1924.

From the Port Trust to the Grain Merchants' Association.

I am directed to invite reference to the discussion held in this office on the 2nd instant with rspresentatives of your Association's Committee on question of the Ryan Grain Market Godowns, whereat your Chairman undertook to place the whole matter before the Grain Merchants' Association at their next meeting on Saturday, the 5th instant, and to communicate the result of their deliberations to this office.

I am to request that you will kindly give the matter urgent attention, as in the event of no other decision being arrived at by Tuesday next, the 15th July, the Chairman proposes to lease out the vacant compartments to other parties.

Dated 14th July 1924.

From the Grain Merchants' Association to the Bombay Port Trust.

I am directed by my Managing Committee to acknowledge receipt of your letter No. 5046, of the 10th instant inviting reference to the discussion with our representatives regarding letting of Ryan Grain Market Compartments.

My Committee beg to point out to the Chairman and Trustees of the Port Trust that the only object of the Association in passing the Resolution is only to protect the interest of Grain and Seeds Trade. When the Port Trust authorities departed from their usual practice of letting the compartments to bonafide Grain Merchants, who had long ago applied for the Compartments and instead invited tenders, my Committee requested you to withdraw the notice for tender and let the compartments as usual to the Grain Merchants, who had long ago applied for the same, but the reply was unsatisfactory. Thereafter the Chairman was good enough to invite the

representatives of this Association to discuss the subject and in the course of discussion it was alleged that this Association wanted to dictate to the Port Trust. As our President has explained to your Chairman the object of this Association was not to dictate to the Port Trust but it was only to protect the rights of the Grain Merchants and to prevent unhealthy competition and ill-will among themselves and it was with this object that the members of the Association were advised not to tender.

The Ryan Grain Market has been built by the Port Trust to give facilities to the whole-sale Grain Merchants who distribute grain to local dealers and to make it a centre for Grain Trade. With this object in view the Port Trust fixed the rent of the compartments calculated on the moneys spent for the building and invited the Grain Merchants to occupy the same. It was never the intention of Trust to squeeze higher rent from the occupants and even in the time of the boom of 1919–20 when the rents had gone up, the Port Trust did not increase the rents.

The Ryan Market had been put up taking into account the future expansion of the City. When the population was about 8 lakhs, 126 compartments were in occupation of merchants. When now the population is about 12½ lakhs the same number is available for merchants. 84 compartments which really ought to be with the local Grain Merchants are now with Messrs: Ralli Brothers, Exporters. The result is the shortage of accommodation. This shortage of supply has caused unnecessary rivalry to obtain the compartments. My Committee submit that 84 compartments should be made available for the local Grain Suppliers and the present scarcity of accommodation would disappear.

My Committee also likes to draw the attention of the Board that once this scarcity of accommodation disappears, the Trust as well as this Association will be in a position to find out whether under normal conditions of supply and demand any increase in rents is necessary or not compared to rents of Godowns on the Elphinstone Estate of the Port Trust.

In fact the Port Trust is letting Cotton Godowns and other Godowns at a standard rent in consultation with the E. I Cotton Association Ltd. and it is difficult to understand why this principle is laid aside in the matter of Ryan Grain Market.

From what has been stated above, it will be clear to the Chairman, and the Trustees that the Resolution to advise the members not to go in for tenders was simply adopted in the interest of the Grain Trade.

My Committee finally request you not to change the present system and to let the compartments to bonafide Grain Merchants according to the priority of applications and standing in the Market.

No. T-1038, dated 21st August 1924.

From Chamber to the Grain Merchants' Association.

With reference to your letter dated the 15th July 1924, enclosing copies of correspondence passed between your Association and the Bombay Port Trust with regard to the letting of compartments of the Ryan Grain Market, I am directed to state that my Committee have fully discussed the subject with Mr. Chhotalal Kilachand who represents the Grain Section of this Chamber on the Bombay Port Trust. My Committee understand that the Committee of your Association had also an opportunity of discussing the subject with Mr. Chhotalal. I am directed to request you to communicate further with Mr. Chhotalal in the matter, if necessary.

APPENDIX 102.

PROPOSED UP-TO-DATE SERVICE OF NEWS REGARDING MOVEMENTS OF LABOUR.

No. 4439, dated 19th August 1924.

From the Labour Office, Bombay to Chamber.

I venture to enquire whether it would be of any utility to the members of your Chamber and other employers of labour in Bombay if there were available to them an up-to-date service of news regarding movements of labour.

2. What I have in mind is a weekly bulletin to be issued free to all Government Departments which employ labour, and to private employers on a small subscription rate. The bulletin would give (1) estimates of the number of workers actually on the move with and without families from different regions of this Presidency towards Bombay and other centres, and (2) forecasts of the movement of labour for the season from districts of this Presidency and outside.

3. The organization for the supply of this information to the Labour Office will be complicated, and the bulk of the work will inevitably fall on the Mamledars in charge of Talukas. I should therefore have to approach various Government Departments to find out if the work can be done. But I do not wish to ask for the supply of information to this office unless I am sure that employers of labour would like to have it summarized and passed on to them in the way indicated.

No. T-1070, dated 27th August 1924.

From Chamber to the Labour Office, Bombay.

With reference to your letter No. 4439, dated the 19th instant, I am directed to state that my Committee feel doubtful as to whether the utility of the proposed service of news regarding movements of labour would at all be commensurate with the labour and cost involved in its organisation.

APPENDIX 103.

RECONSTITUTION OF THE AREAS PROTECTED UNDER THE COTTON TRANSPORT ACT.

No. L. C. 1107-A, dated 25th August 1924.

From the Government of Bombay, Revenue Department to Chamber.

Subject.—Reconstitution of the area protected under the Cotton Transport Act.

In continuation of Government letter No. L. C. 1107, dated 30th April 1924 I am directed by the Government of Bombay (Transferred Departments) to state that the conference in connection with the reconstitution of the area protected under the Cotton Transport Act will be held at Surat on Saturday, the 13th September 1924. I am to repeat that Government will be pleased if you will be good enough to send to the meeting a representative of your Chamber to attend the meeting. The name of the representative may please be communicated to Government.

No. T-1066, dated 27th August 1924.

From Chamber to the Government of Bombay, Revenue Department.

Subject:—Reconstitution of the area protected under the Cotton Transport Act.

With reference to your letter No. L. C. 1107-A, dated the 25th instant, I am directed by my Committee to inform you that Mr. M. M. Amersey (Sudama House, Ballard Estate, Bombay), has been nominated as the Chamber's representative to attend the conference in connection with the reconstitution of the area protected under the Cotton Transport Act to be held at Surat on the 13th September 1924.

APPENDIX 104.

WHOLESALE PRICES AND WHOLESALE PRICE INDEX NUMBERS.

No. 4272, dated 16th August 1924.

From the Labour Office, Bombay to Chamber.

I have the honour to solicit the views of your Chamber on the subject of the Wholesale Prices and Wholesale Price Index Numbers which appear monthly in the Labour Gazette.

2. This reference has nothing to do with Retail Prices or the Cost of Living Index Numbers, both of which concern consumers, but only with the Wholesale Price Index Numbers, which are intended to be a general "trade barometer".

3. The questions which have to be settled before the Wholesale Price Index Numbers can really be a satisfactory trade barometer are:—

I. Selection of articles.

II. Grouping of articles.

III. Sources of information.

IV. Formula for deducing the index numbers.

4. *Selection of articles.* The present list was taken, when the Labour Office was founded in 1921, from a list contained in the volume entitled 'War Prices and House Rents' published by the Department of Statistics under the Government of India in April 1918 (page 8 for Bombay and page 9 for Karachi); and, with minor modifications in the matter of qualities or grades for particular commodities, this list has held good until now.

5. I am not, however, at all sure that this list is representative of the volume of Bombay trade. For example, the quoting of three separate varieties of wheat in Bombay gives undue influence to that cereal. To make myself clear, supposing that out of the 7 cereals the prices for the other 4 remain constant and the price of each of the 3 grades of wheat rises by 21 points, the effect of this rise will be an increase of $3/7 \times 21$ $(=9)$ on the average for Cereals. On the other hand if the price of rice advances by 21 points and the prices of the other 6 Cereals remain constant the effect is only $1/7 \times 21$ $(=3)$ on the average. Yet in the volume of trade of Bombay I think it would not be found either that the trade in wheat is three times that of rice or that the trade in wheat is 3/7 of the total trade in Cereals.

6. A further perusal of the list will suggest important omissions, e. g. ground-nuts, cotton-seed, matches, and petrol, and the possible inclusion of unimportant articles, e.g. poppy seed and barley. The first thing, therefore, is to get a sound list of articles based on the total

volume of trade. I need hardly say that a very long list would enhance the work of this Office. But on the other hand to get a proper trade barometer from a list of 44 articles, as at present, especially when those articles fluctuate violently in price, is doubtfully possible. The number of articles included in Wholesale Price Index Numbers Series of other countries and publications varies from about 25 to as many as 400. Without increasing the staff of this office I could not go much above 100, although by eliminating grouping, as described below, a larger number of articles can be included without enhancing the work.

7. *Grouping of articles.* It is open to consideration whether the present grouping is sound. The obvious objection is that with very small groups a rise in the price of one article has such an overwhelming effect on the Group Index Number. I am personally disposed in the case of our Wholesale Index Numbers (as opposed to the Cost of Living or Consumers' Index Numbers) to abandon grouping altogether, unless we take a very much larger list of commodities, the objection to which has been mentioned in paragraph 6. It is true that the Wholesale Prices Index Numbers of some countries are calculated for groups; but in such cases the number of articles is usually much higher. Thus the U. S. A. Bureau of Labour Statistics quotes (so far as information is available) for about 340 articles in about 9 groups. If this office keeps down to 100 commodities I am opposed to the taking out of Group Index Numbers; or, in the alternative, the number of groups should be not more than 2 or 3.

8. *Sources of Information.* The sources of our present information for prices are shown in appendix A for Bombay and appendix B for Karachi. Where we get several varying quotations for one and the same grade of one and the same article we sometimes take the mean of the qualities. It is possible that there are other sources of information yet untapped.

9. *Formulae.* I do not wish to burden you with a long discussion on this intricate subject. But it is necessary to make certain explanations with a view to ascertaining whether the ideal index

number is possible. It has already been pointed out that the selection of several qualities for any commodity is a rough system of weighting. The ordinary index numbers system proceeds, after thus selecting commodities and separate grades for the more important commodities, to ascertain the price-relative for each article, sum the price relatives, and divide by the number of articles to get the General (or Group) Index Number. This system has for various reasons come into disfavour with some writers and the tendency now is towards summing the actual prices rather than the price-relatives.

10. But the summing of actual prices produces unequally weighted results if the prices are quoted for entirely different quantities, such as 1 lb. of twist, 1 piece of shirtings, 1 cwt. of linseed, 1 maund of jowari, 1 box of tin plates and 1 case of kerosene. Under some systems, therefore, all the actual prices are reduced to some common factor such as a lb. before they are summed for the purpose of finding the index number. But the most up-to-date system is to multiply each actual price by the amount of the physical product placed on the market for a given period, and sum the actual money values thus obtained. These aggregate values are then reduced to price-relatives. This method, which has hitherto been used very roughly in this office for the Cost of Living Index is really less suitable for that purpose and more suitable for the construction of a Wholesale Prices Index. The amount or quantity placed on the market may be taken either for the base year or for the current year or for the mean of the two; and various other combinations are possible.

11. The question, therefore, arises—is it possible to ascertain the quantities placed on the market in the year 1914 and subsequent years for all commodities that you recommend for inclusion in the Index.? I assume that it is neither possible nor suitable to ascertain the quantities placed on the market for periods less than a whole calendar year, because of seasonal fluctuations in supply.

12. If I find that it is possible to ascertain these quantities which in the case of Bombay City must be for the markets of Bom-

bay City alone, and in the case of Karachi for the markets of Karachi alone–I propose to construct the Index afresh, using one or other of the formulae which are possible for the aggregative method described above. Under this system several quotations are required for the more important commodities in order to get a mean price.

13. If it is not possible to ascertain the quantities of each commodity placed on the market we shall have to continue the arrangement by which different commodities are given different importance by obtaining quotations for one or more than one grades in each case, and adhere to a simple average of the price-relatives.

14. To sum up, your opinion is invited on such of the following points as concern your Chamber :

(1) What commodities should be included ?

(2) How, if at all, should those commodities be grouped ?

(3) How many quotations should be secured for each commodity and what grades or trade descriptions should be adopted ?

(4) Is it possible to get reliable information of the quantities of each commodity placed on the market during the calendar years from 1914 onwards ?

With apologies for troubling your Chamber in this matter.

APPENDIX A.

Sources of wholesale prices in Bombay.

1. *Fortnightly returns from the Collector of Bombay*—(2nd fortnight),

Rice	Rangoon Small-mill.
Jowari	Sholapuri, Cawnpuri and sometimes Rangoon (Uptil 5 months back the quotation was for Sholapuri, but is now Cawnpuri).
Barley	(No difference of quality on the market.)

Bajri	Ghati.
Gram	Punjab Yellow 2nd sort.
Turdal	Cawnpuri.
Raw sugar (gul)	Poona or Sangli (according to which is on the market).
Turmeric	Rajapuri.
Ghee	Deshi (according to what is on the market. It is usually either Belgaum or Porbandar).
Salt	Bombay Black.

2. *Monthly reports from the Collector of Customs.*

Wheat	Khandwa Seoni.
,,	Jubbulpore.
Silk	Mathow Lari.
,,	Manchow.

3. *Bombay Market Report and Trade Journal.*—published by the Times of India Press.

Sugar	Java white.
Cotton raw	Broach good.
,,	Oomra F. G.
,,	Dharwar S. G.
,,	Khandesh M. G.
,,	Bengal F. G.
Piecegoods	Grey shirtings Fari 2000.
,,	White mulls (6,600).
,,	Shirtings Liepman's 1500.
Iron bars.	

Steel hoops.	
Galvanized sheets.	
Tin plates.	
Kerosene oil	Elephant brand.
„	Chester brand.

4. Bombay Chamber of Commerce's 'Current Quotations'.

Wheat	Delhi No. 1.
Sugar	Mauritius No. 1.
Linseed	(bold)
Rapessed	Cawnpore brown.
Poppy seed.	
Gingelly white.	
Cotton Manufactures.	Twist 40s.
Copper braziers.	
Coal	Bengal 2nd class steam.

5 Bombay Millowners' Associateon's 'Current quotations of local made piece goods and yarns.'

Long cloth	Local made 36″ × 37½ yds.
Chudders	54″ × 6 yds.

6 Brought from ehe Statistical branch of the Collector of Customs Office.

Hides, Cow	Tanned.
„ Buffalo	„
Skins, Goat	„

Total Imports of coal into Bombay (Total declared import value is divided by total number of tons to ascertain price per ton).

APPENDIX B.

Sources of Wholesale Prices in Karachi.

1. *Karachi Price Current and Market Report.*—Published by the Chamber of Commerce.

Rice	Larkana No. 3.
Wheat white	5% barley, 3% dirt, 30% red.
„ red	5% barley, 3% dirt, 92% red.
„ white	2% barley, 1½% dirt.
„ red	2% barley, 1½% dirt.
Jowari	Export quality.
Barley	3% dirt.
Gram	1% dirt.
Sugar	Java, white.
„	„ brown.
Cotton seed.	
Rapeseed	3% admixture.
Gingelly	Black 9% admixture.
Jute bags	B. Twills.
Cotton raw	Sind.
„ manufactures	Pepperill.
	Shirtings Liepmann's
	Yarns 40s. Grey (Plough)
Wool	Kandahar.
Hides, dry	Sind.
„ „	Punjab.

Copper Braziers.

Steel bars.

„ plates.

Coal	1st Class Bengal.
Kerosene	Chester Brand.
„	Elephant Brand.

2. Monthly telegram from the Collector of Karachi.

Salt.

No. T-1245, dated 10th October 1924.

From Chamber to the Labour Office, Bombay.

With reference to your letter No. 4272, dated the 16th August 1924, I am directed to request you to supply for the information of my Committee the following:—

1. A list of articles on which the Index numbers of wholesale prices appearing in the Labour Gazette are based.

2. A list of articles on which index numbers of wholesale prices in Calcutta appearing in the Indian Trade Journal are based.

3. A copy of "War Prices and House Rents" if available in your office.

No. 5609, dated 15th October 1924.

From the Labour Office, Bombay to Chamber.

With reference to your letter of the 10th instant I have the honour to forward herewith two lists of the articles included in the Bombay* and Calcutta wholesale index numbers. In the list for

* See Appendix A on page 662.

Bombay the articles are classified according to their sources and in the list for Calcutta they are classified according to groups. The number of articles used in Calcutta is 45 but the number of quotations is 71.

2. As regards a copy of "War Prices and House Rents" this office has got only one copy and it is therefore regretted that it cannot be spared. A copy may be obtained from the Commercial Intelligence Department, Calcutta.

List of articles used in Calcutta wholesale index.

Cereals	Rice, wheat, barley, maize and oats.
Pulses	Gram, peas and dal.
Sugar	Refined and raw.
Tea.	
Other articles of food.	Ghee, salt, spices etc. 7 articles.
Oil.	
Oilseeds	3 varieties.
Jute raw.	
Jute manufactures.	Bags and cloths.
Cotton raw.	
Cotton manufactures.	Yarn, bleached goods and unbleached goods.
Silk and wool.	
Hides and skins	Cow, buffalo and goat.
Metals	Iron, copper, galvanised sheets and tin.
Other raw and manufactured articles.	Coal, kerosene, saltpetre, shellac, tobacco leaf and indigo.

Building material.

Number of Quotations under each group are :—

(i) cereals—8, (ii) pulses—6, (iii) sugar—5, (iv) tea—3, (v) other articles of food—9, (vi) oil—2, (vii) oilseeds—3, (viii) Jute, raw—3, (ix) Jute manufactures—4, (x) cotton raw—2, (xi) cotton manufactures—7, (xii) silk and wool—2, (xiii) Hides and skins—3, (xiv) metals—6, (xv) other raw and manufactured articles—7, (xvi) building material—1.

No. T-1302, dated 22nd October 1924.

From Chamber to the Labour Office, Bombay.

I am directed to send hereby the views of the Committee of this Chamber on the subject of the Wholesale Prices and Wholesale Price Index Numbers which appear monthly in the Labour Gazette, referred to them for opinion in your letter of the 16th August 1924, No. 4272.

My Committee think that any change in the basis of calculations will vitiate comparisons which may be intended to be made between the wholesale prices in future and those in the past. We already have wholesale price index based on 1873 prices taken as 100 and the basis of commodities on which it was calculated has continued up to now. If radical alterations are now made in this basis any comparison between this period and any future period will be made extremely difficult if not inpossible. Index numbers are absolutely useless for comparing conditions of one country with those of another country for the bases in different countries are different. It is mentioned in your letter under reference that while the wholesale price index in this country is based on 44 articles the number of articles included in wholesale price index number series of other countries and publications varies from about 25 to as many as 400. Therefore the only value of any Index Number we make

up here would be to enable comparisons to be made of present price in this country with prices prevailing in previous years in this country. If however the basis is changed what little value index numbers possess will be lost. My Committee are not therefore in favour of changing the basis on which the Department of Statistics at Calcutta has been calculating index numbers up to now.

No. 5781, dated 30th October 1924.

From the Labour Office, Bombay to Chamber.

While thanking you for your letter I have the honour to say that your remarks seem to be based on a curious misunderstanding. Your opinion was asked about the Wholesale Prices Index Number for Bombay City and this Index Number has nothing whatever to do with the all-India Index Number issued by the Department of Statistics. The Labour Office is not concerned with the all-India Index Number.

2. The question is about the Bombay Index Number of Wholesale Prices, which has been running only since 1921 when the Labour Office was founded. The base for this Index Number is July 1914. If the list of articles is now revised, prices of those articles will be secured for July 1914.

3. This Index Number is not a long-established one, and there is no sentimental or practical objection to revising it on the basis of a more representative list of articles. In case you are under the impression that list of articles used for the all India Index Number on base 1873 is the same as the list used for the Bombay Index Number of base July 1914 I can assure you that that is not the case. As a matter of fact the all-India Index Number is based on 100 quotations.

4. You will see therefore that, as the lists of articles are different and the bases different, the all-India Index Number and the Bombay Index Number are not now in any way comparable.

No. T-1363, dated 13th November 1924.

From Chamber to the Labour Office, Bombay.

I am directed by my Committee to reply to your letter No. 5781 dated the 30th October last as follows :

While my Committee note what you say about the articles for the All-India and the Bombay Index Number being different, they are still of opinion that any change in the system of making up your Bombay Index Number by revising the list of articles on a more elaborate method will not give any results that can justify the increased expenditure that is sure to be involved. My Committee do not think Index Numbers, however carefully constructed, are any reliable guides except for comparison of prices of the same group of articles and they would therefore not be in favour of any revision of the present list for the Bombay Index Number because the indications given by the present index are likely to be as good for comparison purposes as any other that may be hereafter devised.

No. 6189, dated 14th November 1924.

From the Labour Office, Bombay to Chamber.

I thank you for your letter No. T-1363 of the 13th November, and note your opinion, to which due weight will be given.

I take the opportunity of saying that if the Labour Office increases its list of articles for the Wholesale Prices Index Number no increased expenditure will be involved.

APPENDIX 105.

APPOINTMENT OF W. W. HOWARD BROS. OF ENGLAND AS AGENTS FOR THE SALE OF IMPERIAL FORESTRY TIMBER.

No. T-60, dated 14th January 1924.

From Chamber to the Government of India, Department of Education, Health and Lands, (Forests).

I am directed by my Committee to acknowledge receipt of your letter* No. 238-C, dated 21st December 1923, and to request you to let them know the rate of commission allowed to Messrs. W. W. Howards for securing orders for Indian timbers.

APPENDIX 106.

DR. NORMAN WHITE'S REPORT RE: THE PREVALENCE OF EPIDEMIC DISEASE AND PORT HEALTH ORGANIZATION AND PROCEDURE IN THE FAR EAST.

No. 1701-D., dated 19th August, 1924.

From the Government of Bombay, General Department to Chamber.

Subject.—Dr. Norman White's report regarding the prevalence of epidemic disease and port health organisation and procedure in the Far East.

* Vide Chamber's Annual Report, 1923, page 616.

I am directed by the Governor in Council to forward herewith copy of this Government Resolution, No. 1701, dated the 13th August 1924 on the subject mentioned above, and to request that the views of your Chamber in the matter may be communicated to Government by the 1st September 1924 at the latest.

International Sanitary Convention.

Revision of.—

Dr. Norman White's report regarding the prevalence of epidemic disease and port health organization and procedure in the Far East.

Government of Bombay, General Department, Resolution No. 1701, dated 13th August 1924.

Letter from the Government of India, Department of Education, Health and Lands (Health), No. 874, dated the 4th August 1924 :—

"I am directed to forward, for the information and observations of the Government of Bombay, a copy of the papers noted in the annexed list with special reference to certain recommendations made in Dr. F. Norman White's report regarding the incidence of dangerous communicable diseases in the Far East and health organisation and procedure required in ports to cope with the situation.

"2. The special importance of the report consists in—

(*i*) the new ideas on the etiology and epidemiology of plague enunciated in Chapter II,

(*ii*) the proposal for a new Sanitary Convention applicable to countries of the Far East (Chapter V); and

(*iii*) the proposal to create at some port in the Far East an Epidemiological Intelligence Bureau (Article 14 of the Draft Convention).

"3. The Government of India have already intimated to the Secretary of State their agreement in principle to the establishment of an Epidemiological Intelligence Bureau and to its location at Singapore—the site recommended by Dr. White—subject to the conditions that the Bureau confines itself to the duties detailed in paragraphs (*a*) to (*f*) of the letter from the Acting Secretary General, League of Nations, dated the 19th March 1924, that such acceptance does not commit them to acquiescence in the proposed Far Eastern Sanitary Convention of which it constitutes an important feature, and that it entails no financial responsibility on them for the support of the Bureau. The two remaining aspects of the report which are in a measure independent can, therefore, be considered independently.

"4. The Government of India are advised that in view of recent advances in the knowledge of the etiology and epidemiology of plague there is need for some more uniform and up-to-date procedure in respect of measures designed to prevent the spread of infection than that which is provided in the Paris Sanitary Convention of 1912. Dr. White's proposals, however, require careful scrutiny from the financial and commercial no less than from the medical and administrative points of view, especially as they may adversely affect such Indian ports as are endemic centres of disease. I am to request that, if the local Government have no objection, the views of the Port Health Officers, Port Trusts, Chambers of Commerce, shipping companies and other individuals and organisations, who may be interested in the question, may be invited on these proposals and forwarded to the Government of India, together with the observations of the local Government. For the sake of convenience the points on which the opinions of the parties interested or concerned should be called for have been summarised in the following paragraphs.

"5. *Plague.*—

(*a*) The new orientation of plague quarantine policy in view of Dr. White's division of the disease into two separate and epidemiologically distinct entities, namely bubonic and pneumonic plague.

(*b*) The relationship of human plague to the rat epizootic and its bearing on ship quarantine.

(*c*) Experience of the relationship of bubonic to pneumonic plague in normal epidemics at Indian ports.

(*d*) Experience of the infectiousness of bubonic plague.

(*e*) Experience of rat epizootic with or without human bubonic plague in ports or on ships.

The views of Port Health Officers, who probably possess the most intimate experience of these problems, would be especially welcome.

"6. *Far Eastern Sanitary Convention.*—The two main questions are—

(*a*) whether the draft text of Part I of the Paris Sanitary Convention as adopted by the Permanent Committee of the Office International d'Hygiene Publique, Paris, on the revision in May 1922 (*vide* enclosure to the Government of India, Department of Commerce, letter No. 3322, dated the 14th June 1923) would suffice for the needs of the Far Eastern countries for some time to come; and

(*b*) whether, if the reply to (*a*) be in the negative, Dr. White's draft of a separate convention should be accepted as an addition to the Paris Sanitary Convention as it stands or with modifications. The nature of the modifications, if any, suggested should be explained. In this connection the articles noted below require critical examination.

Article 2.—Incubation periods of the epidemic diseases.

Article 3.—The proposition that one or more infected rats or one non-imported case of bubonic plague is evidence of plague epizootic.

Articles 4-10 which deal with the classification of ports instead of ships as "healthy" "suspected" and "infected", the basis of

such classification, the criteria of "infection" and its "cessation", and the effect of the proposed classification on Indian ports. When considering these articles the remarks of Dr. Brooke relating to the standard of infection, and Dr. White's observations on the anomalies of existing practice in regard to the classification of ports should be borne in mind. In addition the details of a "quarantine station" (chapter V, page 6), and the precautions at the point of departure should be carefully scrutinised.

Articles 11, 12, 13, 14, 16 (especially paragraphs c, d, e, f, g).

Articles 16 (g) and 20.—Proposals for fumigation of ships, especially three-monthly fumigation for coastal vessels.

Article 17.—Proposals regarding Bills of Health, especially regarding uniformity, the suitability of the United States of America or Straits Settlements form to oriental ports and any additions or alterations to it that may be considered necessary.

Article 18.—Procedure for the inspection by the Port Health Officer.

These points require consideration by Port Health authorities as well as commercial bodies.

"7. The Government of India are anxious to forward their views on these matters for the consideration of the Sub-Committee of the Health Committee of the League of Nations which has been set up to examine and report on the replies of all the Governments concerned as soon as possible, and I am to request that the reply of the local Government to this letter should be submitted with the utmost expedition."

Resolution.—Copies of the letter from the Government of India and accompaniments should be forwarded to the Commissioner in Sind and the Surgeon General with the Government of Bombay for favour of report by the 1st September 1924, at the latest. The Commissioner in Sind should submit his report after consulting the Port Health Officer, Karachi, and the local Shipping Companies and

the Surgeon General should do so after consulting the local Shipping Companies, the Director of Public Health for the Government of Bombay, the Port Health Officer, Bombay, and the Port Health Officer, Aden. Government of India letter No. 3322, dated the 14th June 1923, and the draft text of Part I of the Paris Sanitary Convention referred to in paragraph 6 of the Government of India's letter No. 874, dated the 4th August 1924, formed an accompaniment to Government Resolution, No. 1701, dated the 21st June 1923.

2. Copies of the letter and accompaniments should also be forwarded to the Chambers of Commerce, Bombay and Karachi and the Indian Merchants' Chamber, and they should be requested to favour Government with their views by the 1st September at the latest.

Accompaniment to Government Resolution, General Department, No. 1701, dated the 13th August 1924.

List of enclosures,

(1)* Chapters II and V of Dr. Norman White's report on the prevalence of epidemic disease and port health organisation and procedure in the Far East.

(2) Letter from the India Office No. E. and O.—117/24, dated the 3rd April 1924.

(3) Letter from the Secretary General, League of Nations, dated the 26th March 1924.

(4) Letter from the Secretary General, League of Nations, dated the 19th March 1924.

(5) Telegram to His Majesty's Secretary of State for India,

* Not printed here.

No. 514, dated the 3rd May 1924.

Copy of a letter No. E. and O.—117/24, dated the 3rd April 1924, from the India Office, to the Secretary to the Government of India, Department of Education, Health and Lands.

Visit of League of Nations Health Commission to the Far East.

With reference to the letter from this Office No. C. and R.—4398/22, dated 22nd November 1922, and His Excellency the Viceroy's telegram, No. 28-Education, dated 11th January 1923, on the above subject, I am directed by the Secretary of State for India to forward, for information and for any observations the Government of India may have to offer, copy of a letter from the Secretary-General, League of Nations, dated 26th March 1924, together with a copy of Dr. F. Norman White's Report on the Prevalence of Epidemic Disease and Port Health Organisation and Procedure in the Far East. Copy of a letter which was addressed to the Ministry of Health on 28th January and of their reply dated 6th March is also enclosed.

Attention is invited more particularly to Chapter V of this Report, and I am to say that the views of the Government of India thereon will be awaited.

League of Nations,

Societe des Nations.

Geneva

26th March, 1924.

My Lord,

I have the honour to inform you that the Medical Mission which was despatched on the recommendation of the Health Committee of the League of Nations to the Far East to enquire into the incidence of epidemic diseases in the Far East, more especially with regard to port health organisation and procedure, has submitted a comprehensive Report which was considered by the Health Committee of the

League of Nations at their session in February, 1924. On the recommendation of the Committee the Council of the League, at their meeting held on March, 11th, 1924, directed me to forward the Report of the Mission to your Government and to invite the attention of your Government more particularly to Chapter V which contains the draft of a Sanitary Convention designed to govern quarantine procedure in Far Eastern countries, with the request that it should formulate its observations thereon.

I venture to add for your information that the Health Committee have appointed a special Sub-Committee to examine the observations received and to prepare a general report on these for submission to the Committee at one of its later sessions. The Committee will forward it subsequently for examination to its Advisory Council, namely to the Office International d'Hygiene Publique in Paris.

I have, etc.,

INAZO NITOBE,

Secretary General p.i.

The Right Honourable the Secretary of State for India,

India Office, Whitehall London, S. W. 1.

Societe des Nations. League of Nations.

Geneva,

19th March, 1924.

My Lord,

I have the honour to inform you that the Council of the League of Nations at their meeting of March 11th, 1924, approved the recommendation of the Health Committee regarding the establishment of a Bureau in a port of the Far East, to be chosen in consulta-

tion with the Governments concerned, to carry out, in that part of the world, the work of the Epidemiological Intelligence Service of the Health Section of the League of Nations. The Health Committee at their first session held in February 1924, noted that the development of the Service of Epidemiological Intelligence of the Health Section has been both rapid and satisfactory, but that it was highly desirable that steps should be taken to extend its action to the countries of the Far East. The important development of the last 12 months has been possible owing to the generous subsidy which the International Health Board of the Rockefeller Foundation has granted the Committee for a period of 5 years. The Committee, in recommending the establishment of an Epidemiological Intelligence Bureau in one of the ports of the Far East regarded it as a logical and indispensable corollary to the work of the Service so far pursued.

The functions of the Bureau, as defined by the Health Committee and approved by the Council, may be summarised as follows :-

(*a*) to collect and transmit at regular intervals, from all Far Eastern countries, information regarding the incidence and spread of infectious diseases, especially in ports and their hinterland ;

(*b*) to collect and transmit periodical returns of vital statistics, etc., in Far Eastern Ports ;

(*c*) to collect data regarding alterations, additions or amendments to sanitary laws and regulations, and regarding measures taken to combat transmissible diseases and to prevent their propagation ;

(*d*) to publish at regular intervals, returns, data, tables and general vital statistics regarding Far Eastern countries ;

(*e*) to transmit all the above mentioned information periodically to the ports and Health administrations of all the Far Eastern countries concerned, and also to the Health Section of the League of Nations, whose duty it would

be to communicate them to the Office International d'Hygiene Publique and to the various health administrations;

(*f*) to render all possible assistance to the Governments concerned in matters which fall within its competence.

I may add that negotiations are in progress by which it is hoped that, at an early date, special funds may become available to enable the Bureau to be started on an experimental basis.

The Council decided to ask the Health Committee to undertake the selection of the port at which the Bureau should be situated after examining the replies of the Governments of the Far Eastern countries. As the Health Committee will meet in session on May 7th I have the honour to request that your Government will, if possible, telegraph me its considered opinion as to the port where such a Bureau could most usefully be established.

I have, etc.,

(Sd.) B. H. H.

Acting Secretary General.

To—The Right Honourable the Secretary of State for India,

India Office, London, S. W. I.

Telegram No. 514 dated 3rd May 1924, from the Government of India, Department of Education, Health and Lands (Health) to H. M's Secretary of State for India, London.

Your telegram dated the 26th April 1256. We have no objection to Scheme for Epidemiological Bureau for Far East and its location at Singapore provided that it is strictly limited to intelligence functions detailed in paragraphs (*a*) to (*f*) of Acting Secretary General's letter of 19th March and that we are not committed to supporting proposed Far Eastern Sanitary Convention or to providing any funds for Bureau.

No. T-1120 dated 11th September, 1924.

From Chamber to the Government of Bombay, General Department.

With reference to your letter of the 19th August 1924, No. 1701—D and its enclosures, my Committee will like to know, before they express their opinion on the different questions referred to therein, as to what will be the financial liability of this country as a result of putting into practice the different recommendations and suggestions referred to in your communication.

No. 1701/9758/D. dated the 22nd September, 1924.

From the Government of Bombay, General Department, to Chamber.

Subject:—Dr. Norman White's report on the subject of prevalence of epidemic disease and port health organization and procedure in the Far East.

I am directed by the Governor in Council to refer to your letter no. T—1120, dated 11th September 1924, and in reply to state that it is not possible for him to estimate at present the financial liability involved on this country as a result of putting into practice the different recommendations and suggestions made in Dr. White's report. I am, however, to request that the Indian Merchants' Chamber may be moved to favour Government at an early date with their views on the report from the commercial point of view.

No. T—1249 dated 10th October 1924.

From Chamber to the Government of Bombay, General Department.

Subject:—Dr. Norman White's report regarding the prevalence of epidemic dasease and port health organisation and procedure in the Far East.

With reference to your letter No.1701-D dated the 19th August 1924 forwarding a copy of Government resolution No, 1701 dated the 13th August 1924 on the subject mentioned above, I am directed by my Committee to send their views hereby.

My Committee have carefully considered the proposals contained in chapters II and V of Dr. White's Report which raise questions of far-reaching importance. But they feel doubtful as to the necessity of giving effect to the various proposals put forward by Dr. White. My Committee on the other hand are of opinion that the Paris Sanitary Convention has worked quite satisfactorily as regards the Far East and that it will fully meet the requirements of India for sometime to come. My Committee hope that the Government of Bombay will strongly urge the Government of India not to accept the proposals, as their acceptance will impose an unnecessary burden on the shipping coming to the port as also on the financial resources of the country.

APPENDIX 107.

INDIAN SAILORS' HOME.

No. 33 M./802 dated 31st October, 1924.

From the Government of Bombay, Marine Department to Chamber.

Subject :—Memorial to Indian seamen killed in the Great War.

I am directed to inform you that it is proposed to hold a meeting of the Committee appointed by Government in connection with the scheme for an Indian Sailors' Home on Monday, the 10th November at 5 p.m. at the Secretariat, Marine Department, and to request that you will ask a representative of your Chamber to attend.

No T. 1333 dated 5th November 1924.

From Chamber to the Government of Bombay, Marine Department.

With reference to your letter No. 33 M/802, dated the 31st October 1924, I am directed by my Committee to inform you that Mr. Walchand Hirachand (Sudama House, 31, Sprott Road, Ballad Estate) has been nominated as Chamber's representative to attend the meeting of the Committee appointed in connection with the scheme for an Indian Sailors' Home on Monday the 10th November.

APPENDIX 108.

DEATH OF Mr. HANSRAJ PRAGJI THAKERSEY.

No. T-242 dated the 1st March 1924.

From Chamber to Mr. Madhavji Damodar Thakersey,

I am desired by the Committee of this Chamber to convey to you their deep sense of the loss, the Indian Commercial Community in general and the Indian Merchants' Chamber in particular suffered through the untimely and premature death of Mr. Hansraj Pragjee Thakersey, J. P. Mr. Hansraj was for a long time a member of the Committee of this Chamber and also Vice-President of the Chamber during the year 1920-21. He always took deep interest in the affairs of the Chamber and gave his time freely to developing its work. You will kindly accept the sincere condolences of my Committee in your sad bereavement.

Dated 1st March 1924.

From Mr. Madhavji D. Thakersey to Chamber.

I am in receipt of your letter of condolence dated the 1st instant and deep sympathy extended to me by your Committee in our recent sad bereavement by the untimely and lamented death of my cousin Hansrajbhai and have to thank the Committee through you. I really appreciate the reference made in your letter regarding the public services rendered by Hansrajbhai in the field of commerce and industry and particularly to the Chamber.

It has been a solace in our grief that the sympathy of friends has been extended to us in abundant measure.

No. T-243, dated 1st March 1924.

From Chamber to Sheth Narandas Thakersey, Bombay.

I am desired by the Committee of this Chamber to convey to you their deep sense of the loss, the Indian commercial community in general and the Indian Merchants' Chamber in particular suffered through the untimely and premature death of Mr. Hansraj Pragji Thakersey, J. P. Mr. Hansraj was for a long time a member of the Committee of this Chamber and also Vice-President of the Chamber during the year 1920-21. He always took deep interest in the affairs of the Chamber and gave his time freely to developing its work. You will kindly accept the sincere condolences of my Committee in your sad bereavement.

Dated 1st March 1924.

From Seth Narandas T. Mooljee to Chamber.

I am in receipt of your letter of condolence dated the 1st instant and deep sympathy extended to me by your Committee in our recent sad bereavement by the untimely and lamented death of my nephew

Hansrajbhai and have to thank the Committee through you. I appreciate the reference made in your letter regarding the public services rendered by Hansrajbhai in the field of commerce and industry and particularly to the Chamber.

It has been a solace in my grief that the sympathy of friends has been extended to us in abundant measure.

Dated 3rd March 1924.

From Mr. C. B. Mehta to Chamber.

I am directed by Mrs. Hansraj Pragji Thackersey to acknowledge receipt of your letter* dated 1st March expressing on behalf of your Managing Committee, their heartfelt sorrow at the death of her husband, the late Mr. Hansraj Pragji Thackersey and conveying their deep sympathy in her sad bereavement for which she is much obliged to the members of the Committee.

APPENDIX 109.

DEATH OF SIR CURRIMBHOY EBRAHIM (BART).

No. T-1215, dated 1st October 1924.

From Chamber to Messrs. Currimbhoy Ebrahim & Sons., Ltd., Bombay.

I am directed by the Committee of this Chamber to express their feelings of deepest sorrow at the death of the head of your firm, Sir Currimbhoy Ebrahim, Bart. Sir Currimbhoy Ebrahim occupied a unique position in the commercial and industrial world of the City of which he was rightly regarded as the Doyan. The Commer-

* In Gujarati.

cial community has lost in him one of the greatest of our businessmen and industrialists, and the country has lost in him a noble philanthropist. My Committee beg to offer their deep and sincere condolences to the members of the late Sir Currimbhoy Ebrahim, Bart.'s family.

Dated 6th October, 1924.

From Messrs. Currimbhoy Ebrahim & Sons. Ltd. to Chamber.

We are in receipt of your letter of the 1st October, conveying on behalf of the Committee of your Chamber, their feelings of sorrow at the death of our Sir Currimbhoy.

We note with satisfaction your Committee's generous appreciation of our late Chief and request you to convey our most grateful thanks to the Committee, for their sympathies and kindly feelings.

APPENDIX 110.

Speech of Mr. Manmohandas Ramji, President of the Chamber at the First Quarterly General Meeting held on Saturday, the 26th April 1924.

Gentlemen,

I have great pleasure in presenting to you the report of the work done by your Committee during the First Quarter of the Chamber's current official year.

The first and perhaps the most important question your Committee had to handle in the very beginning of their taking up their office was the Currency and Exchange question with reference to which they have, as you know, always carried on a ceaseless and unre-

mitting fight. You will remember that the Committee of this Chamber sent a telegram protesting against the sale of gold from the Currency Reserves in the last year. To this there was no official reply from the Government but the Honourable the Finance Member tried to reply to it in his speech at the Conference of the Associated Chambers of Commerce. Your Committee sent a reply to it criticising the different statements made therein. To this last letter of your Committee the Government condescended to send a reply to which again your Committee sent a reply on the 18th February 1924. The Government observed that there were two separate subjects treated in the letter of the Chamber, viz: the restoration of the pre-war ratio of the Rupee to gold, and secondly the recent sale of gold from Currency Reserve. The Government did not show any signs, as they do not even now, of following the suggestion of your Committee with regard to the restoration of the pre-war ratio of Rupee to gold. In support of their contention in favour of retaining the *status quo* it was observed that the resolution of the Genoa Conference meant merely this that although for such countries as England, Holland, Switzerland and Sweden an eventul return to pre-war parity was probably both possible and desirable, the countries with severely depreciated currencies such as France, Belgium, Italy and Poland merely have to reconcile themselves sooner or later to explicit devaluation. Your Committee in their reply hoped that it was not intended surely to convey that India was in the parlous position of countries like France, etc. Was it not rather the fact that India of all the countries of the world except America had had the power to draw gold and was again with the exception of America the largest buyer of gold available in the open market in the last three years. It was also asked if it was not the fact that today India was nearer to pre-war par than even England and if it was considered both possible and desirable for England to return to pre-war parity, why should such persistent attempts be made to prevent India from doing it. The Government also contended that restoring the statutory ratio of the Rupee to gold which prevailed before its last alteration might increase the fluctuations of the rate on London and might also lead to violent fluctuations in general level of commodity prices.

which would be more prejudicial to the interests of India than a certain instability of exchange. It must be remembered that when the Government altered the ratio and fixed it at 11·29 grains of gold in 1920 one of the main reasons given was that this higher ratio tended to moderate Indian prices. That ratio could not stand in practice and broke down. For the last three years we have got the old ratio in actual practice and your Committee adduced figures to show that while general average of prices was 179 or say 79 per cent over pre-war, cotton and tea whose prices were determined by the strength of *Foreign* demand were 193 and 97 percent higher than pre-war. At the same time the other articles which are all Indian goods were very nearly pre-war and in the case of a very important crop like Jute it was much under pre-war par. These statistics are sufficient to show that even under the ratio of 7·53 grains of gold the country has got moderate prices below which it would be a doubtful benefit to go, looking to the interests of the agriculturists living on land. The truth of the matter is that Government backed up by the Anglo-Indian Chambers of Commerce has made up its mind to stick to the present theoretical raito though it may not work in actual practice. You must have read the recent opinion of Lord Meston, once the Finance Minister of this country, urging the abandonment of the present ratio in favour of the old ratio and also advising the Government not to allow it to be thought that Government used their power of interference with the Exchange with a view to benefit British trade and manufactures. With regard to the sale of gold the Government has advanced some strange arguments against the contention of your Committee. You must be remembering that in their original reply to the speech of the Finance Member your Committee asked why if the sale of gold was desirable as was attemped to be made out the Bank of England did not adopt that policy. To this Government replied that in spite of the additions to the stocks held by the Bank of England very considerable quantity of gold had been taken year by year from the Paper Currency Reserve of the British Government and from the reserves of the Bank of England and shipped abroad, and that a study of the statistics of the United Kingdom's imports and exports of gold would

also reveal the fact that England had parted freely with her gold. Your Committee pointed out that Government entirely overlooked the real issue which was that of parting with the gold behind the Bank of England's Note Issue, and it could not be denied that the Bank of England had not only constantly increased the reserve of gold behind its own note issue but had brought it up to almost three times to what it was in pre-war days and its holding of gold was largest ever known. The attitude taken by the Government with regard to these two questions shows the extreme urgency of placing the control of finances in the hands of the representatives of the people, as so long as this is not done questions of importance to the trade and industries of the country will be settled without any reference to the real interests of the country.

The Government took advantage of the turn the events had taken with reference to the Budget and reduced the Salt duty to Re. 1-4 i. e., the duty which prevailed before the last year's unjustifiable increase. This was a welcome step, With reference to the Budget it was regrettable to see that the Government of India utilised the windfall they got in the shape of profits from the working of enemy ships towards balancing the Budget. Your Committee had suggested long before the Budget time that this surplus should be devoted to the building up of an Indian Mercantile Marine which is the most important work any Government can do at present provided it has the interests of this country at heart. Before long we shall have the report of the Indian Mercantile Marine Committee and the report of the Tariff Board published. Any action taken by the Government on these reports will be considered as a sort of an index of the real attitude of the Government towards these two questions which are of fundamental importance to us.

Your Committee have not approved of the procedure adopted by the Government with regard to the Tariff Board. The present procedure undoubtedly means delay and setting aside of important questions. If the protection of Industries is to be carried out in a genuine and bona fide spirit the Tariff Board should be given another programme and procedure for working. Your Com-

mittee referred to this in their last letter to the Government. Such Tariff Commission should not go roaming about the whole country but should sit at their head-quarters and call for evidence there. Those who want to substantiate their claims for protection with regard to any particular industry should naturally go to the head-quarters to see the Commission. What happens now is, however, that an important industry like the iron and steel industry which wants protection badly has to wait for more than nine months before the publication of the report of the Tariff Board regarding it. I may assure you that your Committee will carefully watch both these important reports viz., the report of the Indian Mercantile Marine Committee and the report of the Tariff Board with regard to the Iron and Steel industry and take also necessary steps for safeguarding the iron and steel industry which may well be called the key industry of India and for developing the Indian Mercantile Marine without which it is useless to hope for much development in the direction of building up of an industrial India.

Your Committee have kept up their usual watchfulness with regard to the policy of the purchase of Stores followed by the Government and have addressed several representations during this quarter to the Government, all with the view of bringing about the policy they have so long been advocating viz., inviting of Rupee tenders in this country and keeping the High Commissioner in London merely as a ceremonial functionary.

The Committee of this Chamber have always worked for cheaper and quicker Justice and approve therefore of the proposals recently made by the Government to increase the jurisdiction of the Small Cause Courts to Rs. 5,000. It may be hoped that the Bill amending the present Act will soon be brought in the Assembly and passed there to give relief to the commercial community. I also hope that the report of the Indian Bar Committee will tend to reduce the present exhorbitant costs of justice. In this connection I cannot help regretting that though this Chamber has now got a well-prepared and comprehensive scheme of arbitration no one has yet taken advantage of it. The Committee took great pains in the preparation and

evolution of this scheme with the idea that the Arbitration Court of the Chamber would go a great way in relieving the complaint of the commercial community against the ruinous nature of the present-day litigation. I have therefore to appeal to all our members and even outside merchants to take advantage of the Arbitration scheme of the Chamber whenever they have got any disputes.

I am extremely sorry that the commercial depression and gloom to which references were made at our last Annual meeting does not show as yet any signs of abatement. This busy season we had an abnormal Bank rate of 9 percent and this stringency in the money market was something extraordinary. Your Committee addressed a telegram to the Government urging the necessity of immediate action to provide further emergency currency beyond Rs. 12 crores already provided in the Act to meet the needs of the situation. The stringency shows signs of disappearing but the depression is still there and I fear we have not seen the worst of it as yet. I hope I shall not be considered a pessimist but some people have been so given to taking even a flicker of light as the harbinger of dawn that there are several cries of the dawn is at hand and yet there is no trace of it. To my mind unless the European situation clears itself and unless the public confidence here is restored there is not much chance of commercial depression getting away. The present depression is not only a material depression. It is mental depression also and what is required is the restoration of the confidence of the public.

Speech of Mr. Manmohandas Ramji, President of the Chamber, at the Second Quarterly General Meeting held on Tuesday, the 29th July 1924.

Gentlemen.—I have great pleasure in presenting to you the Report of the work done by your Committee during the second Quarter of the Chamber's current official year. I referred in my speech at the First Quarterly Meeting of this year to the persistent demand of your Committee for a change in the ratio of the Rupee to gold. It was in this connection that they invited the Honourable the Finance Member to an interview where they placed all their

views before him. His reply was mainly that the Government's attitude was that it was possible to stabilise the Exchange now but that it was definitely not desirable to do so in the present state of the world, in the present state of prices throughout the world, the present uncertainty of the prices in terms of gold and the present uncertainty as to the relations between the price of one commodity and another, and added that it was evident in all these conditions stabilisation of Exchange was premature. It is disappointing to see the Honourable the Finance Member continuing to put forward the vague talk of world conditions as the reason for refusing to rectify the mistake of 1920 of the Government. If stabilisation is really aimed at by Government they ought rather to welcome this step suggested by your Committee because it immediately becomes the upper limit of possible exchange fluctuations and thereby tends to keep these fluctuations within a narrow range. If, on the other hand, the intention of Government be to prevent exchange being driven higher than 1s. 4d. gold, we shall be glad to have a categorical undertaking to that effect so that the country may know where it stands in the matter of its exchange and currency. While the Government of India persist inspite of very large favourable trade balances in asserting that it should not attempt to do anything in the present conditions of the world, countries which are relatively far weaker in the matter of their foreign trade balances are doing their best to come to the Gold Standard and have re-introduced gold coins in various forms and attempted to place their currencies again on a gold or quasi-gold basis. The latest and most remarkable development in this direction is the recommendation in the Dawes Report that Germany should start a Gold Note Bank. When it is considered advisable for practically bankrupt countries to go back to Gold as the one remedy for the present dislocation of economic conditions all over the world, I can only express my surprise that the Indian Government should refuse to take the one step which would not hinder but help towards the restoration of normal conditions.

I referred in my speech at the First Quarterly Meeting to the extreme and abnormal stringency of the money market. Your Com-

mittee drew the attention of the Honourable Sir Basil Blackett to this at his recent interview with us and suggested that the Government should make the emergency Currency a certain percentage of the total amount of notes in issue. It is significant of the trend of thought in the United Kingdom that such a leading and respected paper as "The Spectator" calls any suggestions of raising the Bank Rate in England from 4 to 5 percent even as an "impending national calamity". We may well contrast with this the high Bank rate which persists during the busy season here for a very long period. The Honourable the Finance Member tried to dispose of this contention with regard to the monetary stringency by arguing in his speech at the opening of the Calcutta Branch of the Central Bank of India that the stringency experienced was more or less "seasonal stringency". Whether, however, it is seasonal stringency or non-seasonal, it is the obvious duty of all concerned to take steps whereby to prevent its recurrence. With this dead-weight upon it, neither trade nor the industries of the country can hope to flourish or even to pass through the present depression.

As you must have seen from the Quarterly Report of the Committee placed before you, your Committee approved of the report of the Tariff Board with certain provisoes and reservations. They pointed out that unless a reasonable price was secured to indigenous manufactures the Iron and Steel industry would never be able to stand and that in fixing this reasonable price no extraneous considerations should be allowed any importance. They also emphasised that no protective measure would be fully operative unless Government adopted the principle of practical protection by purchasing for all their requirements only Indian manufactures, the production of which at present was in excess of Government requirements. The Committee did not approve at all of the suggestion of the Tariff Board that its recommendations should remain in force only for a period of three years and recommended that the policy of protection should be continued by the Government till the country was able to produce at least a substantial portion of its requirements of that article and that there should be no change or revision in this, though the amount of protection may be varied after due enquiry from time to time.

according to the exigencies of the situation, keeping, however, the policy of protection always effective.

Another important report which was being awaited with much anxious expectancy has now been published, viz., the report of the Indian Mercantile Marine Committee. Your Committee have enquired of the Government if they propose taking any action on this report in the forthcoming session of the Legislative Assembly. In the meanwhile, they are considering the whole report and it would be, perhaps, premature for me to make any observations with regard to it at this stage.

The dilatoriness of the monsoon and its vagaries are causing a great deal of anxiety to all the people. A large portion of Gujerat and practically the whole of Kathiawar and Cutch which are some of the main purchasing markets have received no rain upto this time. Many of these unfortunate districts were short-served even last year, while Cutch has not received satisfactory rains for the last three years. If there is a failure of rains, even partial, there will be a very heavy distress specially as such a distress will come about at such a time when there is acute commercial and financial depression. We are all accustomed to say whenever there is such a partial or whole failure of rains that it is fate. I should like, however, the Government not to be obsessed by this idea of oriental fatalism and to get a detailed and scientific enquiry made into the causes of this not-too-infrequent failures of rains in this particular zone extending from Cutch and Kathiawar to Southern Gujerat and Rajputana, where famines are now more frequent. It is also a pertinent enquiry if the present Forest policy of the Government has anything to do with decrease in the rainfall. If such an enquiry is made efforts may be directed towards removing the causes if any and attention may also well be directed towards supplying that form of irrigation viz., wells, which is the most suitable and economical form of irrigation for this part of the country.

Before I close, I should like to point out that your Committee disapproved of the terms of reference and the personnel of the new

Taxation Committee, as they thought that any such inquiry to be useful must first of all enquire into the economic conditions of the people and their taxable capacity. The absence of representative interests on the Committee has also detracted much from its importance. This view was conveyed to the Honourable Sir Basil Blackett at his recent interview with us, but the explanation he gave for choosing the present terms of inquiry has failed to satisfy your Committee as also, perhaps, the general public.

Speech of Mr. Manmohandas Ramji at the Third Quarterly General meeting of the Chamber on 4th November 1924.

Gentlemen :—

I have much pleasure in placing before you the report of the Committee of the Chamber during the three months, July, August and September. As mentioned by me at the second Quarterly General meeting, our representative in the Legislative Assembly Sir Purshotamdas Thakurdas, was instructed to give notice of two Bills amending the Indian Coinage Act and the Indian Paper Currency Act. Unfortunately the bills did not get an early place in the ballot with the result that they remained unconsidered. Sir Purshotamdas tried very much to secure a special day from Government for discussion of these two important pieces of Legislation, but such is the indifference with which Government look upon currency and exchange questions that even this facility was not provided by them. Instead, the Honourable the Finance Member answered some interpellations put by Sir Purshotamdas Thakurdas and repeated the usual shibboleths with which we are unfortunately too familiar during the last few years. The old old cry is still being repeated that the time is not opportune for making any change in the ratio. The plea of the Government was always that the troubled European situation prevented them from taking any positive action till atleast all those clouds of trouble had disappeared and that plea is not abandoned even now though the European situation has very much cleared up owing to the recent London Conference and the acceptance and putting into effect of the recommedations of the Dawes Report.

This persistent refusal of the Govenment to recongnize the seriousness of the situation is surprizing when one sees how business and industries have been unhinged and have suffered greatly on account of the Government's policy of inaction. Recently Government have adopted the expedient of purchasing sterling more freely in order to relieve the monetary situation to some extent. This operation has given an apparent relief to the money market and call money is very cheap but the relief is only apparent because while Government balances have thereby been transferred to the credit of the Exchange Banks and Exchange Banks seem flush of money, these operations have not yet added a single rupee to our supplies of currency. What is happening is this. Exchange Banks are contracting for Bills to be delivered to them during the next few months and have been securing the rupees needed by them to pay for such bills by selling sterling to the Government. As the bills will not be tendered to the Bank until the respective produce comes to the market the rupees lie idle on the hands of the Exchange Banks and create this false appearance of ease. I am afraid it will be found that all this money will be rapidly sucked away into the interior as soon as our cotton crop begins to move in earnest and the money market will be in a far more difficult situation than it was during the 1923–24 season unless fresh supplies of currency are provided from the Currency Department against the deposit of sterling with it. Even now the Bank rate is 6% and I fear that the abnormal rate of 9% reached last year will have to be declared at no distant date unless Government issue fresh currency as suggested above.

If the two Acts of Sir Purshotamdas Thakurdas had been passed in September last a good deal of gold would by now have gone into the Currency Reserve and thereby not only provided fresh currency but it would have been so much fresh liquid capital available for our trade and industries, capital that we are so often told India badly needs. Government may well be advised even now if they have a real sympathy with industrial and commercial progress of this country to arrive at a satisfactory solution of the Currency and Exchange embroglio brought on by themselves from 1920 onwards.

During the period under review the report of the Indian Mer-

cantile Marine Committee was published. It is a very important document with far-reaching consequences and your Committee have considered it in all its varied aspects. It is unfortunate that the Government did not make any pronouncement on this report at the last session of the Assembly. More than six months had elapsed since the presentation of the Report by the Indian Mercantile Marine Committee, which may be considered ample time even for the slow moving Simla to come to definite conclusions and form their views on recommendations so important, specially when those views were awaited with so much interest and expectancy. Government could have been atleast ready with opinions of their crown lawyers with regard to Section 736 of the British Mercantile Marine Act which is used as a reason for preventing legislation to reserve the coasting trade for use of Indian ships. They could have also, supposing this legal opinion was adverse, taken steps to move the Imperial Government to make the necessary alterations in that Section to enable India to develop her shipping according to her own lights. Your Committee were waiting for a conference with the Secretary to the Government of India, Department of Commerce, before they finally published their views with regard to this report, and now that the Conference has taken place last week they will send their views to the Government of India. It is needless for me to point out after the very illuminating speech recently made by my friend Mr. Narotam Morarjee how important an asset an Indian Mercantile Marine is to the development of this country. That the Government too have recognized the serious nature of recommendations of the Indian Mercantile Marine Committee is evidenced by their recently addressing a circular letter to the different commercial bodies with regard to taking up the administration of the major ports themselves. This is another important problem involving not merely local questions, not merely commercial questions but also affecting political future to a very large extent. The reference had been made to your Committee from whom it is receiving their due consideration.

You are aware that your Committee have always evinced great interest in the working of Stores Rules and pressed for tenders for Government requirements being called in this country and in rupees.

They are at present considering the new Stores Rules published by the Government of India sometime back.

Before I conclude, I wish to express my regret, and I am confident all of you will share my regret, at the ill-advised, ill-considered and hasty action of His Excellency the Viceroy in promulgating the new Ordinance to cope with the alleged anarchical conspiracy in Bengal. The time chosen is particulary unfortunate for vast tracts of this land are suffering from the disastrous effects of heavy floods and trade and Industries which expected a revival owing to a favourable monsoon have again to wait for some time more for turning the corner. The effect of the new Ordinance will be, speaking as a businessman, to disorganise trade all the more as it would go to support the alarmist rumours and destroy confidence and trust so essential to the progress of trade and industries. It is on these grounds that I wish the Government had not abandoned the constitutional method of suppressing disorder.

APPENDIX 111.

MOSLEM HOLIDAYS.

Dated 21st June 1924.

From Mr. Hussenally M. Rahimtulla to Chamber.

You are aware Government are allowing four holidays (viz. Ashura, Barawafat, Ramjan Idd and Bakri Idd) to the Moslems of the Presidency under the Negotiable Instruments Act.. The Moslem year is a lunar year and the dates are dependent on the first appearance of the Moon after no moon every month. It very often happens therefore that the Gazetted Holidays fall a day prior or subsequent to the actual day and this causes great hardship and trouble and inconvenience to the Moslem public. For they get a holiday, which they do not want and on their actual holiday they have to attend Courts, Banks, offices and other commercial pursuits.

It is my intention therefore to request Government not to announce the actual days of these holidays every year but to fix them when they are ascertained which would be atleast eight or nine days beforehand just as is done in the case of the Birthday of His Majesty the Emperor.

Under the circumstances may I request your Committee to support me in my such request.

Note prepared by Mr. Hussenally.

Since the year 1913 Government have recognised four Moslem Holidays viz., Ashura (Mohorum), Barawafat, Bakri Idd and Ramjan Idd and have resolved to declare them as public holidays under the Negotiable Instruments Act.

Ashura: It falls on the 10th of the month of Mohorum, first month of the Mahomedan year. It is a day of mourning being the anniversary of Massacre of Hazrat Imam Husein at Kerbala. On this day the Mahomedans do not do any business and even the smallest shop-keeper closes his shop and it is observed as a sacred day just as Easter is considered by the Christians.

Barawafat: It falls on the 12th day of Rabi-ul-Avval, the 3rd month. It is the anniversary of both the birth and the death of the Holy Prophet Mahomed.

Bakri Idd: Falls on the 10th of Zil Haj, the 12th or the last month. In this month Mahomedans from all parts of the world go to Mecca, the Holy City for pilgrimage or Haj which is enjoined on them. This day is observed as Holiday after the Haj.

Ramjan Idd: It falls on the 1st day of Shaval (10th month). The preceding month Ramjan is a month of fast, during the whole of which Mahomedans have to fast. They have to close their fast sometime before sun rise and break it after sunset and during the interval they cannot take even a drop of water. The Ramjan Idd is a day of feast after this month of fast.

From the above short description of these holidays it will be noticed that all the four holidays are very important. It causes great inconvenience and trouble when the public holidays do not coincide with the actual days and people are obliged on these holidays to do work, to attend Courts, and to attend to Banking.

In 1924 the Bakri Idd was on the 14th July whereas the Gazetted Holiday was on 13th. In 1923 the Ashura day was on 24th August and the Gazetted Holiday was on 23rd. In 1922 the Bakri Idd was on 5th August and the Gazetted Holiday was on the 4th. In 1920 Ashura day was on the 24th September and the Gazetted Holiday was on 23rd.

The above are a few instances when the Gazetted Holidays were not on actual days. This is by no means an exhaustive list but stray instances taken here and there. The reason why these do not coincide is that the Moslem month is a lunar month and the Moslems commence their month on the first appearance of the Moon (Chandrat) after new moon or Amavas and unless the moon is seen on the 29th day they have to wait for one day more. So they get a holiday when they do not want and have none when they want it. The result is that they are obliged to attend Courts as parties or witnesses and attend to banking and shipping against their wishes.

It will be observed that out of the four, one (Barawafat) falls on 12th and two (Ashura and Bakri Idd) fall on the 10th of the Moslem month. If therefore Government on announcement were not to fix the actual days of these holidays but merely announce them and fix them when ascertained it would be a great facility and convenience for the Mahomedans. The actual day can easily be ascertained on the first of the month and thus Government will have more than eight days to make their announcement. As a matter of fact there is in existence a Committee of Musalmans called the Chand Committee which decides after taking evidence the Chandrat. It can be easily arranged to communicate to Government the actual day by this official body.

As regards Ramjan Idd this procedure will not do as it falls

on 1st day of the month and hence there is no time to announce the holiday. The best course would be to give two days for the holiday. Really two days ought to have been given for this holiday for this day falls after one month's fasting. Surely this would not be asking too much. As a matter of fact Government give two holidays, one as a Public and the other as a sectional.

At present there are 29 recognised holidays out of which the Hindus get 10, Christians 8, Parsis 5, and Moslems 4 and 2 are general, namely King's Brithday and Empire day. Thus by increasing one more Moslem Holiday Government would merely be doing justice to the Mahomedans. In 1912 Government had appointed a Committee and on the Committee's report Government issued a resolution recognising 25 holidays. The Kali Chaudas of the Hindus was omitted. A great agitation was set up and finally Government had to include this day. Easter Monday and New Year's Eve day (31st December) which were then decided to drop have not been dropped and have been continued. Empire day has been added.

In para 3 of Government resolution No. 3778 of 19th November 1912 based on the Holiday Committee's Report in granting Mahommedans 4 holidays it is mentioned: "The Mahomedan Community is large both in Bombay City and outside it, and the grant of four holidays is *not too generous* a recognition of festivals which are of very great importance to that community." Even the Government did not consider 4 holidays as too many for the Moslems. When a small community like the Parsis get 5 days surely the Moslem claim for one day more cannot be considered extravagant. The Kali Chaudas for the Hindus, Easter Monday and New Year's Eve day for the Christians which were decided to be dropped have not been omitted though the Hindus had nine days and the Christians had six days.

It must be noticed that though the number of holidays will be increased to 30 the actual number of days in practice will not be so many as some will fall on Sundays and very often two different holidays will fall on the same day. If however in any year the number of days appear to Government large they can easily reduce

it by dropping Easter Monday and New Year's Eve day as decided by them in their above mentioned Resolution of 1912. Government in their own words say "Government see no necessity to notify one day before and one day after that day (New Year) as Bank holidays; nor is there any need for a Bank holiday on Easter Monday". (Para 2 of the above Resolution).

No. T-1125 dated 11th September 1924.

From Chamber to the Government of Bombay, General Department.

I am directed by the Committee of this Chamber to send to you herewith a Note submitted to them by a Mahomedan member of this Chamber. This Note puts forward the moslem view point with regard to the Bank Holidays. My Committee approve of the suggestion made in this Note that Government should not fix actual days of Barawafat Ashura & Bakr-i-Id holidays but merely announce them and fix them when ascertained. It is felt as a grievance by the Mahomedans that the holidays as fixed do not sometimes coincide with the actual holidays and if the suggestion made in the accompanying Note and approved by my Committee is accepted, it will remove all cause for that grievance.

No. 3490. dated 3rd November 1924.

From the Govenment of Bombay, Finance Department to Chamber.

I am directed by the Governor in Council with reference to your letter No. T-1125 of the 11th of September last, to reply that, in view of the number of resolutions tabled in the Legislative Council on this subject, Government had with held the decision on the proposal made. The decision of Government will be communicated to you in due course.

No. 3490 dated 1st December 1924.

From the Government of Bombay, Finance Department to Chamber.

I am directed by the Governor in Council to reply to your letter No. T-1125 of the 11th September last, and to state that the Government of Bombay agrees, as an experiment next year, not to fix in advance the actual days of Bara Wafat, Ashura and Bakri-Id holidays, but to notify them when they are actually ascertained by the Mahomedan authorities.

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